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[ISSUED SATURDAY, 11TH JUNE, 1921.]

COMMONWEALTH OF AUSTRALIA. *Parliament*

## PARLIAMENTARY DEBATES.

FIRST SESSION, 1920-21.

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# EIGHTH PARLIAMENT.

FIRST SESSION.

## Governor-General.\*

His Excellency the Right Honorable HENRY WILLIAM, BARON FORSTER, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

\* From 6th October, 1920.

## Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy	..	The Right Honorable Sir Joseph Cook, P.C., G.C.M.O.
		<i>Succeeded by</i>
		The Honorable W. H. Laird Smith (28th July 1920).
Treasurer	..	The Right Honorable Lord Forrest, P.C. G.C.M.G.
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (27th March, 1918).†††
		<i>Succeeded by</i>
		The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. (28th July, 1920).
Minister for Defence	..	The Honorable George Foster Pearce.
Minister for Repatriation	..	The Honorable Edward Davis Millen.
Minister for Works and Railways	..	The Right Honorable William Alexander Watt, P.C.
		<i>Succeeded by</i>
		The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Home and Territories	..	The Honorable Patrick McMahon Glynn, K.C.†††
		<i>Succeeded by</i>
		The Honorable Alexander Poynton (4th February, 1920)
Minister for Trade and Customs	..	The Honorable Jens August Jensen.†
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (13th December, 1918).
		<i>Succeeded by</i>
		The Honorable Walter Massy Greene (17th January, 1919).
Postmaster-General	..	The Honorable William Webster.†††
		<i>Succeeded by</i>
		The Honorable George Henry Wise (4th February, 1920).
Minister for Health	..	The Honorable Walter Massy Greene (10th March, 1921).
Vice-President of the Executive Council	..	The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
		The Honorable Edward John Russell (27th March, 1918).
Honorary Minister	..	The Honorable Edward John Russell.
Honorary Minister	..	Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister	..	The Honorable Alexander Poynton.
Honorary Minister	..	Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister	..	The Honorable George Henry Wise.
Honorary Minister	..	Appointed Postmaster-General, 4th February, 1920.
Honorary Minister	..	The Honorable Walter Massy Greene.*
Honorary Minister	..	Appointed Minister for Trade and Customs, 17th January, 1919.
Honorary Minister	..	The Honorable Richard Beaumont Orchard.**
Honorary Minister	..	The Honorable Sir Granville de Laune Ryrie, K.C.M.G., C.B., V.D.††
Honorary Minister	..	The Honorable William Henry Laird Smith.††
Honorary Minister	..	Appointed Minister for the Navy, 28th July, 1920.
Honorary Minister	..	The Honorable Arthur Stanislaus Rodgers.***

\* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—\*\* Resigned office, 31st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.—†††† Resignation from office gazetted, 15th June, 1920.—\*\*\* Appointed 28th July, 1920.

## Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator Thomas Jerome Kingston Bakhap.

*Adamson, John, C.B.E. (Q.)	*Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O., V.D. (Q.)
Bakhap, Thomas Jerome Kingston (T.)	*Guthrie, James Francis (V.)
*Benny, Benjamin (S.A.)	*Guthrie, Robert Storie (S.A.)
Bolton, William Kinsey, C.B.E., V.D. (V.)	Henderson, George (W.A.)
<sup>3</sup> Buzacott, Richard (W.A.)	Keating, Hon. John Henry (T.)
*Cox, Charles Frederick, C.B., C.M.G., D.S.O., V.D. (N.S.W.)	*Lynch, Patrick Joseph (W.A.)
Crawford, Thomas William (Q.)	Millen, Hon. Edward Davis (N.S.W.)
De Largie, Hon. Hugh (W.A.)	*Millen, John Dunlop (T.)
*Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O. (W.A.)	<sup>1</sup> Newland, John, C.B.E. (S.A.)
*Duncan, Walter Leslie (N.S.W.)	*Payne, Hon. Herbert James Mockford (T.)
Earle, Hon. John (T.)	<sup>2</sup> Pearce, Hon. George Foster (W.A.)
*Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M. (V.)	<sup>1</sup> Plain, William (V.)
Fairbairn, George (V.)	Pratten, Herbert Edward (N.S.W.)
Foll, Hatil Spencer (Q.)	Reid, Matthew (Q.)
<sup>2</sup> Foster, George Matthew (T.)	<sup>1</sup> Rowell, James, C.B., V.D. (S.A.)
*Gardiner, Albert (N.S.W.)	*Russell, Hon. Edward John (V.)
*Givens, Hon. Thomas (Q.)	Senior, William (S.A.)
	Thomas, Hon. Josiah (N.S.W.)
	<sup>5</sup> Vardon, Edward Charles (S.A.)
	*Wilson, Reginald Victor (S.A.)

1. Appointed Temporary Chairman of Committees, 21st July, 1920. 2. Elected 13th December, 1919. Sworn 21st July, 1920. 3. Appointed Temporary Chairman of Committees, 26th February, 1920. 4. Deceased reported, 6th April, 1921. 5. Appointed by State Governor in Council, 18th February, 1921. Sworn 6th April, 1921.  
\* Elected 13th December, 1919. Sworn 1st July, 1920.



## House of Representatives.

*Friday, 3 June, 1921.*

MR. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 11.30 a.m., and read prayers.

### HOOR OF MEETING.

Motion (by Sir JOSEPH COOK) agreed to—

That the House, at its rising, adjourn until Tuesday next at 3 o'clock p.m.

### DEATH OF THE HONORABLE JAMES PAGE.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [11.32].—It is my melancholy duty to intimate to the House that Mr. James Page, one of our most respected and best beloved members, died this morning. The news comes like a bolt from the blue, and gave me the greatest possible sense of shock when it was told me. Happenings like this cause wonder as to what life may have in store for us. To see a man stricken down at the height of his power and in the plenitude of robust health gives us pause, and makes us realize how slender, after all, is our hold upon life and its opportunities. Edmund Burke, speaking in the House of Commons on an occasion like that on which we are met here this morning, in language far better than that in which I can clothe my thoughts, said of a deceased member—

The worthy gentleman who has been snatched from us at the moment of the election and in the middle of a contest, while his desires were as warm and his hopes as eager as ours, has fittingly told us what shadows we are and what shadows we pursue.

There can be but one sentiment in this chamber to-day, that of unfeigned sorrow for what has occurred. Mr. Page was without a single enemy. At the height of our most bitter controversies we always felt a deep respect for the man who is no longer with us. I am not sure that I did not like him best in his moments of excitement. He was a man who loved his country intensely, and loved his fellow-men, serving them with every atom of his strength and with the whole devotion of his mind. There are few finer characters than that of Jim Page.

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In one sense we can scarcely be sorry for him. He lived a full, well-rounded, useful life, serving his country in almost every possible sphere of activity. As a citizen he built up for himself a character for good repute, and won material success; but never for a moment did he forget those less fortunate than himself. He served his country not only in the paths of peace, but also upon the battle-field. We all know something of his career as a member of this House. It is that by which he is remembered best. I was a comrade of his for twenty years, and I do not remember a time when I had not the greatest respect, esteem, and good-will for him; I am sure every other honorable member felt in the same way towards him. All we can do this morning is to bow our heads in the presence of this mystery, and bow our wills to a higher will, hoping, as I believe most profoundly that, although he has passed to "where beyond these voices there is peace," he still lives on, to do useful work in some other and better sphere. I move—

That this House records its sincere regret at the death of the honorable member for Maranoa, the Hon. James Page, who was a member of this House since the inauguration of the Parliament; and expresses its appreciation of the zeal with which he devoted himself to his public duties, and its profound sympathy with his bereaved family in their great sorrow.

Mr. RYAN (West Sydney) [11.38].—I rise to second the motion of the Acting Prime Minister, and to indorse his remarks about our deceased friend and comrade. It falls to my lot to express the profound regret, not only of his own colleagues, the members of the Commonwealth Labour party, but of all the State Labour parties and of the whole Labour movement throughout Australia. He was a close personal friend of mine for many years, and I mourn his loss as that of a very dear comrade, who stood by me in many a hard-fought fight. We all know that Mr. Page was a staunch battler for Labour from its earliest days, and took a large part in blazing the track which led to its success in many spheres. As the Acting Prime Minister has said, he held the respect not only of his supporters but also of his opponents, because he was a fair fighter, and always played the game. It is but a few hours since he was with us, bright, cheerful, and full of fight. Yesterday afternoon, when an adjournment motion was spoken of, he interjected, "I will give you an adjournment



to-morrow." He has given it to us, Mr. Deputy Speaker! Such happenings as this should incline us to think more kindly and generously of one another in political life. The suddenness of his death makes us realize what frail creatures we are; it should certainly make us feel humble when we are shown how, truly, in the midst of life we are in death. Words fail to adequately express my feelings on this occasion, and I content myself with extending my sympathy to his son and other relatives in their bereavement.

**Mr. GREGORY** (Dampier) [11.40].—It is with the deepest regret that I rise to support the motion moved by the Acting Prime Minister (Sir Joseph Cook). Although I have not been many years in this House, I have been here long enough to greatly appreciate the qualities of our departed friend. I think I am speaking not only for every member of the Country party, but for every honorable member of the House, when I say we admired his wonderful spirits, jovial nature, and yet earnest devotion to the principles he espoused. As the honorable member for West Sydney (Mr. Ryan) has said, the late member, though a great fighter, was always a fair one. The news we have received this morning is tragic and astounding. Mr. Page was here with us yesterday full of life and vigour, and to-day we know that he is no more. I must content myself with, in a somewhat feeble manner, indorsing the remarks of those who have preceded me, in the hope that our words may bring some comfort to those whom our deceased friend has left behind.

**Mr. CONSIDINE** (Barrier) [11.43].—As the only representative in this House of the Industrial Labour party, I desire to co-operate in extending our sympathy to the friends and relatives of our late comrade. My acquaintance with him was not of very long standing; but, regarding him as both friend and colleague, I cannot adequately express my sorrow at the loss we have sustained. I join with the representatives of the various parties here in extending our sympathy to the late member's relatives and friends, and in expressing the great loss occasioned by his tragic death.

**Mr. BAMFORD** (Herbert) [11.45].—I entered this House at the same time as

the late member did, as a member of the same party, and from the same State, and the House will bear with me while I say a few words in reference to his tragic death. The late member and myself have not always followed the same political lines, but I am pleased to say that the friendship between us was never disturbed on that account. We remained the best of friends, and, indeed, it would have been difficult for any man to quarrel with James Page. As I know from experience, he was a man ever ready to extend help where it was needed. In my mind's eye, I see him sitting opposite as he did yesterday, full of life and vigour; no one could for a moment have anticipated that the hand of the grim reaper was so shortly to be placed upon him. To say that I specially regret his death is but to very inadequately express my feelings; and I can only, as one who knew the deceased gentleman intimately, give my support to the motion submitted by the Acting Prime Minister. We cannot but feel somewhat pleased that we did not resolve on an all-night sitting yesterday, for otherwise we might, for the second time, have had a tragedy within the walls of this chamber. My regret is deep and sincere at the death of a man for whom I had the greatest possible respect, and between whom and myself there was a friendship which nothing could break. Mr. Page recently suffered a great bereavement in the loss of a sister, to whom he was greatly attached, and I think that that occurrence may, perhaps, have had its share in precipitating the sad occurrence of last night.

**Mr. CHARLTON** (Hunter) [11.47].—May I be permitted to indorse the sentiments expressed by previous speakers. From the time I entered this House, I knew Mr. Page, both as colleague and as close friend; and I remember the good advice and valuable assistance he was ever ready to give me. I always admired Mr. Page for his big-heartedness. Whatever differences of opinion there may be from time to time in connexion with the performance of our duties, no one was quicker to forget and forgive than our late friend. He was full of the milk of human kindness, always generous in his endeavours to assist others; indeed, it seems to me that he lived to better the lot



of all with whom he came in contact. Mr. Page lived a useful political life, both State and Commonwealth. He worked in the interests of the community; and whatever our political feelings may be, we respect a man who has the courage of his opinions, and is prepared to stand by them, irrespective of consequences. I do not think we could have a man of finer character than the late Mr. Page. Like other public representatives, I have in my time met many men whom I admire, but I can say, without the slightest hesitation, that no man stands higher in my estimation than did the late James Page. As a friend, I shall certainly miss him while I remain here, and I think he will be missed by all honorable members. I remember how full of life and fight he was last night, when an all-night sitting was anticipated. I am glad that an all-night sitting did not occur; and I venture to express the hope that we shall, as far as possible, dispense with such sittings as very trying to the health. As I have said, our deceased friend last evening was full of fight, and said to me, "Charlton, I will be with you until tomorrow; I will see you through as far as this fight is concerned," plainly showing that at that time, so far as he knew, his health was all that might be desired, and that he was anxious to continue here and do his duty in this Chamber. Then to get the startling news this morning that he had been found dead in his bed was a blow to every one of us, a shock which none of us expected to receive. I realize the great loss that his death will be to our movement, and how difficult it is to replace a man of his calibre. I extend my sincerest sympathy to his relatives and friends in the great bereavement which they have sustained.

Mr. JOWETT (Grampians) [11.52].— I trust the House will bear with me while I say a few words in tribute to the memory of one of my oldest friends. The late honorable member was a friend of mine for more than thirty years, and it was a terrible shock to me this morning to hear from the Acting Prime Minister that he was dead. It is impossible even now for me to realize that it is true. I can only regard it as a mysterious visitation of the beneficent Deity, when I remember that I was sitting alongside him last night about 11 o'clock, he being full of health, spirits, hope, and brightness. The news this

morning is one of the most dreadful calamities to me, as it must be to every member of the House, and I venture to say to the whole of the people of Australia. When I first met our good friend he was then, I think, a shearers, and I was a struggling squatter in the far North-West of Queensland. In those days I had pushed sheep out beyond what were then considered the bounds of civilization, and it was a favour to get shearers to come and shear sheep so far out. The late honorable member and myself were always friends from the beginning. I can remember the first great shearing strike taking place just thirty years ago, and the second shearers' strike in 1894. This much I will say, that, whatever side men fought on in that struggle, they fought as men and as gentlemen. When I mention that the late Mr. Page was one of the leaders of the shearers, and that Senator Fairbairn was one of the three leaders of the squatters—the "Triumvirate" as they were called—in those days, honorable members will realize the truth of what I say when I apply the words of the good old Book—"They were giants in those days." That struggle was fought out without the slightest bitterness on either side, and possibly that circumstance was largely due to the presence of such men as Mr. Page. I recall, also, the first Federal election, at which Mr. Page was a candidate. Although he was opposed by a well-known squatter, I was one of those who supported him even in those early days. After that election, inspired by whom I do not know, some articles antagonistic to him were published in the local paper, and I am glad to think that I wrote to the *Western Champion* at Barcaldine and told my friends there that in my opinion Mr. James Page was, amongst all the members of the House, the best supporter of the whole of the people who lived in the western parts of Queensland. I could say much more about my old friendship with him. For sixteen years, during the life of this Parliament before I had the honour of being returned, whenever I desired to come to this Chamber, the only man to whom I ever sent my card was our late lamented friend. I have always looked upon him as my greatest friend, and as the best representative for the last twenty years that the people who live far



back, away from the benefits, the amenities, and delights of city civilization, have ever had in this House. I desire to join in this tribute to the memory of one of my oldest friends, and one of the bravest and most loyal men that the Empire has ever known.

**Mr. BLAKELEY** (Darling) [11.56].—I wish to add my tribute to the memory of my mate, Jim Page. Open-hearted and big, physically and mentally, reminiscent of the western plains which he loved so well, there was never a man down-and-out in the west of Queensland who sought his assistance in vain. No matter whose the quarrel, no matter whose the fight, Jim Page could always be found on the side of the man on the lowest rung of the ladder. He pioneered the fights of the Australian Workers Union in Western Queensland; he pioneered the fights of the Australian Labour party; and he was known and loved, particularly out there, but also generally throughout the length and breadth of the land. He was one of the big men of Australia, and one whom we could ill afford to lose. He was cheery of disposition, and intensely loved a practical joke. He was the life of our party, and he loved to come into the room and get three or four of us to join him in singing one of the many songs for which he is responsible. It was only last night that he began to sing one of them as he sat on the front seat on this side, but when you, Mr. Deputy Speaker, looked at him, he at once desisted. There was no fun in which he would not join. He was like a big school boy coming into our room—always good tempered, and we can ill afford to lose him. The Australian Workers Union, the Australian Labour party, and the nation generally will find it, indeed, hard to replace Jim Page.

**Mr. FOWLER** (Perth) [11.58].—May I, as one of the few remaining original members of this Chamber, be allowed also to add my word of tribute to the memory of the late honorable member for Maranoa? He has been through all these years a very intimate personal friend of mine, and I feel his loss most deeply. To me he was always the *beau idéal* of those who have come from the Old Land to help to build up the fortunes of Australia. He started at the very bottom, and worked himself up, by

sheer force of character and the admiration of those with whom he came in contact, into the high and honorable position in which death found him. He always lived a strenuous life, and the manner of his death is probably the one which he would have desired. There have been many who have already entered this Chamber and have left it for one reason or another. Many more will yet come, but I feel sure there will never enter within its walls a finer type of man than Jim Page.

**Mr. WATKINS** (Newcastle) [12.1].—As one who, perhaps, knew our late friend more intimately than many other honorable members, I should like to add my tribute in support of the motion. I think the best side of his character was the fact that while he forgot the unpleasant things done to him, he never forgot those who did him a kindness. It may be said of him that he was a person brimful of humanity. He always stood out for a fair deal. He had many fights, but no enemies. For many years, our departed comrade discharged the onerous duties of the office of Whip of our party. How arduous and exacting those duties frequently are none can better testify than one who, like myself, has undertaken them. He applied himself to their discharge with the utmost zeal and efficiency, and with the same warm-hearted enthusiasm he devoted to every aim of the great cause he loved so faithfully and served so well. God rest his soul!

**Mr. DEPUTY SPEAKER** (Hon. J. M. Chanter).—Before putting the motion I should like to add a few words as a tribute of sorrow on my own behalf and on behalf of the staff of this Parliament at the great loss we have sustained in the death of the honorable member for Maranoa. I had known him ever since he became a member of this House. I had been associated with him politically in many ways and had always found him, as has been said by honorable members to-day, a man of most generous impulses, and with a big heart. It is only two days since he came to me in this chamber, and with tears in his voice offered me his sincerest sympathy in the bereavement which I have recently suffered. My heart went out to him more than ever then, as it had on other occasions when he tendered me his sympathy in former bereavements. I say, in all sincerity, that no



one deploras his loss more than I do, and I hope that his relatives may be given the strength to bear the great load of sorrow which the Almighty has placed upon them.

Question resolved in the affirmative, honorable members standing in their places.

Motion (by Sir JOSEPH COOK) agreed to—

That Mr. Deputy Speaker be requested to transmit to the relatives the foregoing resolution and a copy of the speeches delivered thereon.

House adjourned at 12.3 p.m.

## House of Representatives.

*Tuesday, 7 June, 1921.*

MR. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 3 p.m., and read prayers.

### DEATH OF THE HONORABLE JAMES PAGE.

MR. DEPUTY SPEAKER.—I have received the following messages relative to the death of the honorable member for Maranoa, Mr. James Page. The first is a cablegram from the Prime Minister (Mr. Hughes), in these words—

Deeply grieved to learn death of my old and esteemed friend, the Hon. James Page, who for so long ably represented Maranoa in the Federal Parliament.

Mr. Taylor, the Speaker of the Legislative Assembly of Western Australia, has telegraphed—

Will you convey to the relatives and friends of the late Mr. Page and members of your House my very deepest sympathy in their very sad loss.

This message is from Senator Payne—

Deeply regret Mr. Page's death. Kindly convey sympathy to relatives.

The funeral cortege will leave the building at a quarter past 3. I shall resume the chair at or about 5 p.m.

*Sitting suspended from 3.3 to 5 p.m.*

### NORTHERN TERRITORY.

#### TAXATION WITHOUT REPRESENTATION.

MR. CHARLTON.—Is the Acting Prime Minister aware that considerable discontent exists in the Northern Territory in consequence of residents there be-

ing called upon to pay income tax and other taxes although they have no direct representation in this Parliament? If so, is the matter receiving consideration at the hands of the Government?

Sir JOSEPH COOK.—I have observed that a few residents of the Northern Territory are objecting to pay taxes. I have only to say that if they do not like to pay taxes up there they can come down here and pay them. There is no trouble in that regard.

### RUSSIAN SOVIET GOVERNMENT.

MR. HIGGS.—I have often felt that this Parliament ought to be made acquainted by the Imperial Government with foreign affairs. In that connexion, I desire to ask the Acting Prime Minister whether, with a view of informing the minds of those persons in Australia who are advocating the creation here of a Communism, such as has been established in Russia, he will ascertain whether there is any truth in the statement which appeared in the press of yesterday that the Russian Soviet Cabinet has indorsed proposals by the Prime Minister (M. Lenin) for returning to their owners commercial and industrial businesses taken over by the State from private enterprise?

Sir JOSEPH COOK.—I have not seen the statement, but should think it very probable that M. Lenin is at last displaying a little common sense. I am reminded of the story of the Yankee who said that platforms were made to "get in on." M. Lenin is "in," and, I suppose, has no further use for his Communistic programme. Either that is the case, or he is discovering that Communism does not work out even amongst the simple-minded peasants of Russia. I should say that there is no more fruitful ground for experiments of that kind than that offered by the people with whom he has to deal. If Communism has broken down there that should be the best of all reasons why we should not attempt any such foolish experiment here.

### COMMONWEALTH STEAMERS.

#### LACK OF CARGO.

MR. FENTON.—Has the Acting Prime Minister any information to supply the House in regard to those vessels



of the Commonwealth line of steamers which are said to be held up owing to lack of cargo? The last of the line to be tied up, I understand, is the *Euralia*, which is now lying alongside the Williamstown pier, and is to remain there until cargo is available. Can the Acting Prime Minister inform the House of the real reason why no cargo is available for ships owned by the Commonwealth Government?

Sir JOSEPH COOK.—If it be true that there is no cargo available for these vessels, I am quite unable to inform the honorable member why that is so. After all, it is only an assumption; but I shall be glad to make inquiries. I should imagine that the Commonwealth line of steamers is susceptible to the same influences as is every other line. There is not that trade going on up and down the world that one would like to see. Maybe the position will improve by-and-by; but from all that I can learn about the Commonwealth line of steamers, they are doing as well as any other ships.

#### NEW GUINEA.

Mr. GREGORY.—Will the Acting Prime Minister state when the Government intend to submit definite proposals and legislation for the future administration of German New Guinea?

Sir JOSEPH COOK.—I am unable to say at the moment when we shall do so. Things are beginning to take shape up there; civil administration has been set up; but just when we shall be ready to proceed with legislation I cannot say at the moment.

#### LEAGUE OF NATIONS.

Mr. HIGGS.—Has the Acting Prime Minister any official information as to the League of Nations and the Commission which is proposing certain amendments in the articles of the Covenant? If he has not that information, will he endeavour to obtain it from the Imperial Government and acquaint the House of it?

Sir JOSEPH COOK. — I think the better plan would be for me to consult my honorable colleague the Minister for Repatriation (Senator Millen), who has just returned from Geneva. He may know something of the matter. I am

aware, of course, that a Commission was set up to deal with amendments of the Covenant. It appears from the press—and that is the only information I have at the moment—that the Commission has already got to work and has made some rather drastic proposals for the amendment of the Covenant. If those amendments result in the United States of America coming into the League, that, I should imagine, would be about the best thing that could happen.

#### ELECTORATE OF MARANOA.

Mr. BAMFORD (Herbert) [5.7].—(By leave.)—I had thought it probable that some other honorable member would address himself to the matter I am about to discuss. Since, however, no other member has risen to do so, I crave the indulgence of the House for a few moments whilst I speak upon a subject which I consider deserves some attention. But an hour or two ago we met to pay the last sad rites to a late member of this Chamber, and it comes as a shock to me, as I am sure it must to every right-minded person to know that, whilst the body of our late friend is even yet *en route* to the place of burial, rumours are current as to who are aspiring to fill the vacant seat. Surely, sir, it would have been more decent and more becoming had the people who are responsible for these rumours, even though it may have tried their patience somewhat, waited until the body of Mr. Page reached its final resting place before voicing their anticipations. Above all, sir, I say that even the press should have some regard for the amenities of public and private life, and should have refused to give currency to rumours which in this connexion are current at the moment. To me it seems an outrage against decency that individuals or the press should, at such a moment, give utterance to their hopes and ambitions in regard to the vacant place. One gentleman whose name during the last day or two has been associated with the Maranoa seat is very much hurt. He has had no communication from any one on the subject, and he himself has said nothing with regard to it. It has been very painful to him to have his name connected in even a remote way with the question of filling the vacancy at this juncture.



## NEW SOUTH WALES INCOME TAXATION.

Mr. HECTOR LAMOND.—Has the Attorney-General's attention been drawn to the fact that the New South Wales Taxation Commissioners are discriminating between the salaries of Federal and State members of Parliament, allowing State members ten times as much by way of expenses as they allow to Federal members? If so, does the honorable gentleman consider that such discrimination is within the powers conferred upon the Commissioners by the Commonwealth Act governing the matter?

Mr. GROOM.—My attention has not been drawn to the matter, but I promise the honorable member to have it looked into.

## CERTIFICATES OF NATURALIZATION FOR GERMANS.

Mr. GABB asked the Minister for Home and Territories, *upon notice*—

1. Whether applications by persons of German origin for certificates of naturalization were held up over the Reparations difficulty?
2. If so, are they still so held up?
3. If so, seeing that the Reparation question is settled, when will the embargo be removed?

Mr. WISE.—I have not the information.

## MONT PARK HOSPITAL.

### TRANSFER OF PATIENTS.

Mr. LISTER asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Were twenty patients in the mental ward at No. 16 A.G. Hospital (Mont Park) ordered to be transferred on 27th April from the hospital and to be received, ten into the Kew Lunatic Asylum and ten into the Sunbury Lunatic Asylum?
2. If so, under what authority were these patients ordered to be so transferred, and to be so received into the said asylums?
3. Who signed the authority, and when?
4. What was the reason for the transfer?

Mr. RODGERS.—The answers to the honorable member's questions are:—

1. Yes.
2. Under the authority of the Inspector-General of the Insane, approved by the Repatriation Commission.
3. See No. 2.
4. Pressure of space. By an arrangement existing between the Commonwealth and State Government of Victoria, military and repatriation cases were being accommodated in No. 16 A. G. H. pending completion of a new block

designed exclusively for ex-soldier patients. This block is now completed, but as unfortunately the number of soldier mental cases is somewhat in excess of the estimate originally formed, it is not possible to transfer all such cases thereto. Accommodation for this excess had therefore to be promptly found, as the State authorities require No. 16 A. G. H. for carrying out their own scheme in relation to civil patients. An arrangement has, however, now been effected under which the new ex-soldier block will be occupied, together with a ward in No 16 A. G. H. for infirm cases. As the State authorities require the full use of No. 16 A. G. H. during the coming year, the whole position is being considered with a view to providing such additional accommodation for ex-soldier patients as may be necessary.

## "DIFFERENCE OF EXCHANGE DUMPING."

Dr. MALONEY asked the Minister for Trade and Customs, *upon notice*—

1. Is it the intention of the Cabinet to introduce a Bill dealing with dumping, especially with what may be classed as "Difference of Exchange Dumping"?
2. If so, in view of the allegation that such dumping is being arranged for at the present moment, will the Minister introduce such Bill at the earliest opportunity?
3. Will the Minister cable to the United States of America and any other country that has introduced legislation to deal with such dumping for full particulars and information?

Mr. GREENE.—The answers to the honorable member's questions are:—

1. It is the intention of the Government to introduce a Bill dealing with dumping which will cover the question of dumping by means of depreciated exchange?
2. Yes.
3. Action has been taken to obtain information from countries where legislation has been introduced to deal with dumping.

## PAPERS.

The following papers were presented:—

- Arbitration (Public Service) Act—Determination by the Arbitrator, &c.—No. 1 of 1921—Australian Postal Linemen's Union.
- Audit Act—Transfers of amounts approved by the Governor-General in Council—Financial year 1920-21—Dated 1st June, 1921.
- China—Correspondence respecting the New Financial Consortium in. (Paper presented to British Parliament.)
- Lands Acquisition Act—Land acquired under, at Berri, South Australia—For postal purposes.
- Post and Telegraph Act—Regulations Amended—Statutory Rules 1921, Nos. 64, 72, 83, 90, 91, and 92.



## Public Service Act—

Appointment of P. A. Edwards, Department of the Treasury.

Promotions of F. G. Duesbury, R. R. O'Brien, and H. W. Waters, Department of the Treasury.

## War Service Homes Act—Land acquired under, at—

Beech Forest, Victoria.

Granville, New South Wales (2).

## EXTRA SITTING DAY.

**Sir JOSEPH COOK** (Parramatta—Acting Prime Minister) [5.15].—I move—

That, unless otherwise ordered, the House shall sit on each Tuesday at 3 o'clock p.m.; on each Wednesday and Thursday at half-past 2 o'clock p.m.; and on each Friday at 11 o'clock a.m.

When I gave notice of this motion the other evening there was a very general agreement regarding it, and, therefore, I do not propose to detain the House now. I shall be glad if honorable members will allow the motion to go through with as little delay as possible, so that we may get to the real business of the House.

**Mr. CHARLTON** (Hunter) [5.16].—It is quite true that there was very little opposition shown to this motion when notice was given of it at our last sitting. There seems to be an impression amongst honorable members that by sitting on Tuesdays we may be able later on to have two or three weeks' recess before resuming what we may expect to be a long and arduous session, inasmuch as we have the Constitution Convention and other legislation which will practically keep us employed all the year. I do not know whether it is intended that we shall meet on Tuesdays during the whole of the session, or merely until we have completed our consideration of the Tariff. If it is intended to sit on Tuesdays all through the session, I would point out that this may prove to be not necessary.

**Sir JOSEPH COOK.**—The motion is that we shall sit on Tuesdays, "unless otherwise ordered."

**Mr. CHARLTON.**—Am I right in assuming that the matter will be further considered when we have completed our consideration of the Tariff?

**Mr. GREENE.**—We have previously taken a similar course.

**Mr. CHARLTON.**—Quite so; I only desire to have the position made clear.

**Mr. GREGORY** (Dampier) [5.17].—I quite understand that the motion is intended to afford further time for dealing with the Tariff, but I wish to take advantage of the opportunity to say a word on behalf of representatives from distant States. I think that we should sit at least four days a week, and thus complete our business at an earlier date, and afford those honorable members an opportunity to visit their homes. Personally, it is very seldom I can visit Western Australia, and I think that honorable members generally, and particularly Melbourne members, might give a little more consideration to those who come from a distance. I sincerely hope it will not be necessary to have any more all-night sittings.

**Mr. MATHEWS** (Melbourne Ports) [5.18].—I do not know whether my position is different from that of other Melbourne representatives, but, as a matter of fact, while the Tariff is before us, I really dare not leave the chamber. The discussion on the metals and machinery items has been protracted; but, as a rule, if an honorable member leaves the chamber, he may find that, in his absence, perhaps a dozen items, in some of which he may be interested, have been passed. I suppose we all have special business which we regard as most important, and one of my difficulties is to impress others with the fact that there is business of equal importance with their own in the world. At the risk of laughter, and ridicule from the press, I must say that, as it is, I have more work than I can get into the week, and if we sit another day some of that work must go by the board.

**Mr. HECTOR LAMOND.**—What about those honorable members who have to travel two days in order to get to and from their work?

**Mr. MATHEWS.**—No doubt members from other States also have their difficulties. The honorable member for Dampier (Mr. Gregory) is anxious to visit Western Australia, and I fancy we could very well allow him to go now, for, in his absence, we might be able to make some progress with the Tariff. Even at the risk of being charged with posing as a hard-worked member of Parliament—and I do not mind the ridicule of the press or of other people—I say most



emphatically that in expecting members to spend another day per week in this chamber the Government are asking them to do more than they can do—that is, if my experience is that of others.

**Mr. FOLEY** (Kalgoorlie) [5.21].—During my parliamentary career I have always been of the opinion that parliamentarians should sit at least four out of the six working days. The honorable member for Melbourne Ports (Mr. Mathews) said that he had a lot of work to do outside. So have others. It is of no use for any one of us to endeavour to bluff members inside about the work we have to do.

**Mr. MATHEWS.**—You have damned little to do, anyhow!

**Mr. DEPUTY SPEAKER** (Hon. J. M. Chanter).—Order! I ask the honorable member to withdraw that remark.

**Mr. MATHEWS.**—I withdraw it; but I have watched the honorable member for a good while, and know that he does nothing.

**Mr. FOLEY.**—We all have work to do outside, but I still contend that at least four days of our time should be given weekly to the work of Parliament. If a public man in Parliament cannot give four days a week to the public business for which he is paid—

**Mr. MATHEWS.**—I have no private business. Mine is all public business. I am not talking of private business.

**Mr. FOLEY.**—Nor am I speaking about any private occupation; but if a member of Parliament cannot give four days a week to public business in this chamber, then he is not doing himself justice in that regard. If we give four days a week to our work here, we shall have a lot of time when the session is over to do the necessary public business outside. We should consider also the members of the Government. We all know that Ministers have to work at their public duties in their offices all day, and then come here to attend the sittings of Parliament. It is especially arduous on them to ask them to sit four days a week.

**Mr. HECTOR LAMOND.**—How many of them are here?

**Mr. FOLEY.**—I have noticed that generally quite a number of them are present. We could assist materially to get the business of this Chamber finished more expeditiously if we sat until 11

o'clock every night instead of finishing at 10. I have every sympathy for the honorable member for Melbourne Ports in regard to the public work he has to do outside, but I submit that the work which he and other members representing nearly constituencies have to do does not take up nearly the time that is required for the work of members who represent more remote portions of Australia. Men in their position have to do a great deal of their work by correspondence, whereas members who represent Melbourne constituencies may do a great deal of it by personal interviews. I would not put up a confidence trick on any one, as the honorable member for Hunter (Mr. Charlton) suggested might be done, in regard to this motion. I take it that the words "until otherwise ordered" in the motion means "until the Tariff is finished." If, however, it is the intention of the Government, when the Tariff is finished, to continue the Tuesday sittings, they should bring down a definite motion, and give honorable members an opportunity of discussing the question of an extra day's sitting on its merits. If that opportunity is given, I shall vote for sitting four days a week whilst the business of the House lasts.

**Mr. McWILLIAMS** (Franklin) [5.25].

—I have always been in favour of sitting four days a week. It is not fair to members from at least three States in the union to have to wait about in Melbourne after the House rises on Friday afternoon until the following Wednesday afternoon at 3 o'clock, whilst more fortunate members are able to go to their homes. Those who live in Victoria can reach their homes by Saturday at least, but it is impossible for members from three States to go home at all. It would take me just one week to go to my home and back again, and I would have less than one day there when I reached it. It would not be any hardship for members to sit for four days in the week. I am hopeful that by so doing we shall be able to get through the work and so obviate these protracted sessions which take up practically the whole of the year. I have always thought that, taking the work of the Parliament generally, and speaking by and large, there is no reason why this House should be in session more than six months in the year. We could do all our work in that



time, and members would be given a chance, which does not occur now, of going into their constituencies to learn the requirements of their own people. There are members from Western Australia, Queensland, and Tasmania who practically have to neglect their constituencies personally.

Mr. MATHEWS.—The honorable member will admit that there are other requirements besides sitting here?

Mr. McWILLIAMS.—I do admit it. I know there are very great requirements, but these press just as heavily, and indeed a great deal heavier, on members from far-distant States than on those who have the good fortune to represent Victorian constituencies. I would urge the Acting Prime Minister (Sir Joseph Cook) to take the course suggested by the honorable member for Kalgoorlie (Mr. Foley); that is, that if this motion is to apply only while the Tariff is before the House, the Government should give the House an opportunity, as early as possible, to decide whether we shall not continue to sit four days per week until the session ends.

Mr. MAHONY (Dalley) [5.28].—We have to consider whether the carrying of the motion and the institution of an extra day's sitting per week will push Government business ahead any quicker. My parliamentary experience leads me to believe that the extra sitting day gets the Government no further ahead at all. By granting an extra day, the House is really only giving the honorable member for Dampier (Mr. Gregory) a further opportunity of talking at large upon Tariff matters.

Mr. McWILLIAMS.—Has he not a right to speak?

Mr. MAHONY.—Of course; but he has no right to entail hardship upon other members because he is not capable of explaining himself in a few words. If the honorable member for Dampier feels that it is his burning duty to talk upon every item in the Tariff at length, it is about time the House took steps to stop him doing so. The Tariff has to go through, and, as parties are constituted to-day, and with our present system of government, I admit that what the Government desire in the Tariff is what will go through. That being so, why should

the Government permit any honorable member to talk so repeatedly in Committee? During the present and previous sessions the Government have thought fit, on certain occasions, to impose a time limit to the debate, sometimes unduly restricting debate; but I really think it is advisable to take some such action to expedite the discussion of the Tariff, in which it appears an honorable member may get up and talk as much and as often as he likes on almost any subject under the sun. The Tariff should be dealt with on practical, common-sense lines. The Government should conduct the business in this way.

Mr. GREGORY.—But we do not know your way. That is the trouble.

Mr. MAHONY.—If the honorable member for Dampier were over on this side of the House, he would soon know my way of doing business. If the Government were not obliged to depend on the votes of honorable members of the Corner party to keep them in office, we would hear nothing of this extra day's sitting. They would apply the guillotine to the honorable member for Dampier. If they believe that the Tariff is good, why not get it disposed of quickly?

Mr. GREGORY.—How many minutes have you been in the chamber since the Tariff was introduced?

Mr. MAHONY.—I have been here as often as possible. Of course, if the representative of His Majesty requires me to perform certain duties as a member of a Royal Commission, I feel, in duty bound, as a loyal subject of His Majesty, to obey.

Sir JOSEPH COOK.—But we are all in favour of the motion, so why not allow it to go to the vote?

Mr. MAHONY.—I am not in favour of it. The Acting Prime Minister, as one of those who are obliged to make the week-end journey by train to his own State, must know that this train travelling is killing in its effects, so the extra day's sitting may ultimately mean the death of very many honorable members. And surely we do not want to kill one another in this Parliament? The Leader of the House knows how he intends to vote on these Tariff items. So do I and other honorable members; therefore all the talk in



the world from the honorable member for Dampier will not have any effect upon the Committee. If we have an extra day's sitting, I fear that the grim Reaper will cause more vacancies in the ranks of honorable members, and so I put it to the Government that in their own interests it would be well for them not to insist upon the extra day. They already have ample power to expedite the passage of the Tariff. I invite them to use this power. That would be a far more sensible thing to do than to require honorable members to sit an extra day each week.

**Mr. LIVINGSTON** (Barker) [5.35].— I feel confident that the more days we sit the less work we shall do. Ministers, I am sure, with Parliament sitting three days a week, have already quite enough work to do. I agree with the honorable member for Melbourne Ports (Mr. Mathews) that a great deal of the work done by an honorable member for his constituency is performed, not in this Chamber, but elsewhere. Every honorable member knows how his correspondence piles up, if it is not attended to promptly. I recollect on one occasion an honorable member who was continually making speeches in this House asking me why I did not speak more frequently, and in reply I gave him what I thought to be good advice. I said to him, "If you keep your tongue quiet and use your pen, you may stay here for some time." Honorable members have a great deal to do outside the sitting days of Parliament. Personally, four days a week will suit me, as I am always in Melbourne on a Tuesday, but I sympathize with those honorable members from the more distant States. They cannot get to their homes on Friday afternoon, and for their sake I shall be prepared to vote for the motion. The honorable member for Franklin (Mr. McWilliams) has told us of his difficulties in regard to travelling to and from his home, but I think the day is not far distant when he may be able to reach his home in a few hours. I believe that before long the Tasmanian mails will be taken over by aeroplane, so that the honorable member may then, if he chooses, go across to Tasmania in the evening and return to Melbourne on the following morning.

**Dr. MALONEY** (Melbourne) [5.38].— It seems to me, from the course of the debate, that in the future honorable members will be required to say whether they are full-timers, half-timers, or quarter-timers. The honorable member for Kalgoorlie (Mr. Foley) lives a greater distance from Melbourne than many other honorable members, so it would be impossible for him to go home each week-end, but I think some of the Tasmanian representatives could return to their homes as frequently as do honorable members from New South Wales, and their mode of travelling would be far healthier than a train journey of about 600 miles to Sydney. It would be wise, I think, to take the Tariff *in globo*, and later, if there were discrepancies, the Minister could introduce legislation piecemeal to deal with them. The Board which the Minister proposes to appoint could report to the Minister if undue profits were being made by any manufacturers, and suggest other Tariff items for the consideration of this House. A matter more important than the Tariff is the dumping of foreign goods on account of the special opportunities offered by the adverse exchange. The High Court has decided against the policy which the Minister desires to carry out in order to prevent dumping, and Australia is left open to dumping of a kind that the world has never before known. My parliamentary duties are much easier for me when the House is sitting than when it is not. If any honorable member doubts that statement, I invite him to visit my office, preferably on Mondays or Fridays, at 10.15 a.m., in order to see the amount of work I have to deal with. Some important notices of motion by private members appear on the business-paper, and, if necessary, I would be prepared to sit every day in the week for two or three months rather than continue the present half-and-half system. A continuous sitting like that would be much more healthy for those who have to travel to other States at the week-ends, and I say candidly that if I were the medical adviser to the Acting Prime Minister (Sir Joseph Cook) I would forbid him travelling to and from Sydney each week-end. Amongst the private notices of motion is one relating to the destitute allowance for which I would like a day,



another relating to Anzac Homes, another dealing with the metric system of weights and measures, another relating to the burden of eternal interest forced upon Australia by the late accursed war, another relating to the need for economy and the necessity for doing away with the High Commissioner's Office, thus effecting a saving of £1,100,000 per annum; another relating to appointments unjustly made in the Public Service by which officers have been promoted from positions carrying £1,000 to others carrying £2,000, while others have had their salaries raised from £500 to £1,500. The House has never yet had an opportunity of dealing with those appointments, but if the opportunity were afforded, it would express itself seriously upon the subject. I should like to add another to the many suggestions I have made to the different Ministries during the years I have been a member of this House. Why cannot we work solidly for a month or two months, following the example of a country that has far greater difficulties to contend with than has Australia? The members of this House, whether they come from the distant parts of Western Australia, or the north of Queensland, or Tasmania, all think, read and write in the same language. The little nation of Switzerland uses three languages in its Parliament. In the name of common sense, how would we get through our work if three languages were employed in our debates, and we prolonged our sessions as we do now? If a member spoke in one language, another member who spoke a different language would be entitled to demand a translation; thus the nine hours' speech delivered by Mr. Webster on one occasion, if expressed in three languages, would probably extend over thirty-six hours! Why is it that the Swiss Parliament can get through its work with two sessions of three weeks each, although speaking three languages? That Parliament meets in summer at 8 a.m., and an absent member is fined. A majority of the House is necessary to constitute a quorum. The House adjourns for lunch at 1 p.m., resumes at 2 p.m., and adjourns at 4 p.m., until 8 a.m. next morning. The only difference in the winter session is that the House meets

Dr. Maloney.

one hour later. If the Ministry choose to proceed with this motion, I shall vote for it. I would like to see the Tariff disposed of *in globo*, on the understanding that the proposed Tariff Board would refer to Parliament those items which required adjustment. If that were done, we could immediately apply ourselves to the dumping evil which endangers every factory in Australia.

Question resolved in the affirmative.

## TARIFF.

*In Committee of Ways and Means:*

Consideration resumed from 2nd June (vide page 8834).

### DIVISION VI.—METALS AND MACHINERY.\*

\*Motive power, engine combinations, and power connexions are dutiable under their respective headings when not integral parts of machines, machinery, or machine tools.

#### Item 136—

Iron and Steel—

(a) Pig iron, per ton, British, 20s., intermediate 30s., general 40s.

Upon which Mr. WATKINS had moved, by way of amendment—

That the following words be added to sub-item A:—"and on and after 8th June, 1921, per ton, British, 30s.; intermediate, 45s.; general, 60s."

Mr. FENTON (Maribyrnong) [5.50].—I had anticipated that after the overwhelming arguments adduced on Thursday last in favour of an increase in these duties, the Minister would have opened the discussion to-day with an announcement of his intention to accept the amendment. The Minister (Mr. Greene) is placing considerable reliance on his anti-dumping proposals; and, although, perhaps, the Tariff itself may not generally come up to the level to which he had hoped to raise it, it would appear that he is looking hopefully to his anti-dumping measure to insure the protection of Australian industry. The world to-day is exceptionally troubled commercially. There is great agitation and organization going on abroad to exploit every market. In the interests of Australia we should provide ample safeguards, or our industries, old and new, may be swamped. As a first step I trust that the Minister will yet accept the amendment of the honorable member for



Newcastle (Mr. Watkins). And, as a second means, I hope Parliament will clothe the Minister and his Department with considerable powers to prevent dumping. I have noted with regret the tremendous revenues which are nowadays derived by way of Customs duties. The existing Tariff has been in operation for about fifteen months—more than covering the current financial year. Notwithstanding that fact, however, imports have risen in value from a total of about £70,000,000 per annum a year or two ago to a figure which will possibly reach £150,000,000 for the present year. It is true that the values of very many of the imported lines are higher than formerly; but, making a liberal allowance, it must be apparent, even to those honorable members with pronounced Free Trade views, that there is far too much importation of goods, most of which should be manufactured by our own people in our own country. Under the present Tariff schedule the Commonwealth will receive an increase in revenue, arising from Customs duties, amounting to more than £10,000,000. It is a very serious matter that goods of practically double the value of those imported a year or so ago, are now being brought into the Commonwealth. I chance to be one of those who buy farming material and implements nowadays. I ask the honorable member for Dampier (Mr. Gregory) how those who carry on rural activities have been benefited at the hands of the importers of galvanized iron and fencing wires? He knows full well that in recent times the farmer has had to pay three or four times the values of a few years ago for all his farming requisites.

Mr. GREGORY.—And he still has to do so.

Mr. FENTON.—Yes; but the situation must be altered, and here is the opportunity; for if the Committee does not agree to the amendment immediately under discussion it will be difficult to confer any greater measure of protection than exists at present in respect of the new subsidiary industries of Australia.

Mr. GREGORY.—The higher you build the Tariff wall the greater is the opportunity afforded to the exploiter inside of Australia.

Mr. FENTON.—The greatest exploiter is the importer.

Mr. GREGORY.—No fear!

Mr. FENTON.—Undoubtedly. Every farmer in Australia has been and is being "fleeced" by the importer of galvanized iron and wire and barbed wire. Although I am not, perhaps, in sympathy with the political ideals of Australian men of wealth, I say, unhesitatingly, that if there are Australians who are prepared to put their money into industries of the kind which are now under consideration, and to provide fair conditions of employment at fair rates of wages, I will do my share towards granting those manufacturers adequate protection, while at the same time safeguarding and protecting the worker and the consumer.

Mr. GREGORY.—You cannot protect the consumer.

Mr. FENTON.—We can, and the Minister is pledged to take steps to do so. I have confidence in the Minister and faith in the adequacy of his proposals. I believe they will be effective against the "fleecing" proclivities both of the importer and of the local manufacturer. I have confidence, further, in the efficacy of the Minister's proposed anti-dumping law. Although I have no brief for the English firm of Lysaghts Limited, I call attention to what is being done in connexion with the founding of its galvanized-iron industry in Australia. The company has already spent about £90,000,000 upon the housing of its workmen. I again plead with the Minister to relent from his attitude of opposition to the amendment, and I stress that unless he does so it will be very difficult for this Committee to grant further necessary protection to the subsidiary industries which depend upon Australia's iron and steel industry. The capital invested in the iron and steel works of the Broken Hill Proprietary Limited up to 31st December, 1920, amounted to £5,639,365. The amount paid in wages at the limestone quarry, the iron ore deposit, and at the iron and steel works up to the same date was £1,230,000. That sum has been distributed among 5,709 workers, which averages £213 per man per annum by an industry which is as yet in its initial stages. If it had not been for the operations of the Newcastle Steel Works railway construction in Australia would have been held up.



Mr. GREENE.—It would have been held up entirely.

Mr. FENTON.—I believe it would. We have arrived at a stage when we should cease importing rails, fishplates, and bolts now that we are in a position to manufacture them in the Commonwealth, particularly when the manufacture of these articles provides employment for a large number of our own people. If the Broken Hill Proprietary Company Limited endeavour to exploit the people to whom they dispose of their products we shall, under the proposal of the Minister for Trade and Customs (Mr. Greene) be able to make it so uncomfortable for them that they will not dream of committing the offence twice. At the iron and steel works, 4,886 men are employed, and at the ironstone deposit and limestone quarry 8,823 men are working. All of these men have dependants, and therefore a large number of people are at present depending upon the operations of this industry for their livelihood. The honorable member for Dampier (Mr. Gregory) made a special point of the fact that when this industry was established the late general manager, Mr. Delprat, who with his expert knowledge and general organizing ability may be regarded as the "king pin" of the undertaking, said that the industry would not require any assistance by means of protective duties. If Mr. Delprat made such a statement in 1912 he has since corrected it. When the Joint Committee of Public Accounts was inquiring into the question of shipbuilding Mr. Delprat was called to give evidence. For the information of honorable members I shall read the following extract from the report presented by the Joint Committee of Public Accounts on the 17th November, 1920. It reads—

The Broken Hill Proprietary Company Limited have decided upon a considerable extension of their works and plants, including a mill for rolling the large plates for shipbuilding, which hitherto have had to be obtained from abroad. The general manager of this company was confident that all the materials for shipbuilding could be produced in Australia as cheaply as anywhere else, if protection by a Tariff were afforded against the powerful corporations in other countries, which might otherwise wipe the Commonwealth industry out by dumping.

That is the opinion of Mr. Delprat when he was general manager of the company which is now conducting extensive opera-

tions at Newcastle. During the war nearly every manufacturer exploited the people more or less. The general manager of Walkers Limited said that instead of charging the price ruling on the other side of the world they actually delivered the goods at half the cost. The report which I have quoted was signed by the Chairman of the Committee, the honorable member for Perth (Mr. Fowler), who has a decided leaning towards Free Trade. Here is another extract from the report which has a bearing on the matter now before the Committee—

The cost of shipbuilding has jumped up as the result of the war to three times the pre-war rates. For ships that were once built for under £10 per ton, builders in Great Britain have been asking and getting as much as £35 per ton, while in America prices were still higher. Under these circumstances, the opportunity of entering into the production of ships in Australia was a favorable one. The Broken Hill Proprietary Company Limited were prepared to supply sections and angles, and the price of these has been from £17 10s. to £19 per ton. Adding the freight to the oversea prices for similar materials, we find that buying from the local manufacturers certainly gave an advantage of several pounds per ton. One manager expressed the opinion that if he had been obliged to go abroad for these materials, they would have cost, including price and freight, something like £35 per ton, not to speak of the inevitable delay, which, of course, meant added expense.

The manager for Walkers Limited, Mr. Farquhar, who has, I understand, been selected as Chairman of a Committee to go into the question of ship construction at Cockatoo Island and elsewhere, tendered very valuable evidence. He possesses exceptional qualifications, and when he appeared before the Joint Committee of Public Accounts, stated that he had been engaged in some of the principal shipbuilding yards in Great Britain. I have already stated that one manager expressed the opinion that if he had been obliged to go abroad for sections and angles, they would have cost him, including price and freight, approximately £35 per ton, quite apart from the unavoidable delays, which would have meant additional expense. There is the testimony of the manager of a private firm. I consider that it is an argument in favour of this industry that when in war time they might, according to some, have legitimately charged more than they did for their material, they did the fair thing by the people of Australia,



and called upon them to pay for the steel they used only half what they would have had to pay if they had imported it from abroad. That is a justification for asking for some protection for the industry in peace time. I may be told that it is intended now to carry out only a certain programme of shipbuilding, and that ship plates will not be required; but honorable members are aware that most of our railways are being equipped with long iron trucks, and rolled sheets of steel and iron will be required for the sides and ends of these trucks. It is intended to turn out these sheets as well as ships' plates, if they should be required, from the rolling mills that are now being laid down at the Newcastle works. I have said, I think, enough and more than enough to convince even honorable members in the corner, including the honorable member for Dampier (Mr. Gregory) that it is essential to preserve this key industry. I am satisfied that the Minister for Trade and Customs will submit effective legislation for the protection of the consumer, and that under that legislation the industry will be carried on in future practically under departmental supervision. In my view no harm would be done by doubling the duty proposed by the Minister for Trade and Customs if, at the same time, we have a Board to protect the interests of the consumers and extra protection in the way of anti-dumping legislation. I am not in this matter falling on the neck of the Broken Hill Company, as the honorable member for Franklin (Mr. McWilliams) suggested the other day. I am aware that there is another firm engaged in this industry, and I might quote from remarks made by Mr. Hoskins, the manager of that firm, at a picnic given to the employees, to show that it is the intention of the firm to lay down a plant at Port Kembla which is to cost something like £2,000,000. We cannot lightly ignore the establishment of great industries of this kind in our midst. I speak as one politically opposed to capitalists, but when I find men prepared to invest capital in the establishment of big industries and to give fair conditions and wages to their employees I should be recreant to my Protectionist principles and anti-national in spirit if I did not do what I could to encourage and protect them, especially

when I am assured that the interests of the consumers are also to be protected. Honorable members are agreed that the lesson which we should have learned from the war is that an island continent like Australia must be self-contained, and yet there are members of the Committee who are prepared to reduce Tariff duties to such an extent as would prevent the establishment of key industries and the subsidiary industries dependent upon them, which are absolutely essential to the well-being of this community. I remind honorable members that we have made arrangements for the establishment of an Arsenal, under Government control. Though I hope it will not be found to be necessary, if it is established it will require considerable quantities of steel and iron. Hoskins and Company was in existence for some time prior to the war, but was in a struggling condition for a number of years. That firm and the Broken Hill firm are now well established, and the producers of this country should be amongst the first to welcome any extension of their operations. Many railway lines in Victoria, which have come to the assistance of producers who, for many years, had to struggle against the difficulties of heavy road haulage, could not have been constructed had we not been able to obtain rails from the Broken Hill Company. I am satisfied that the producers would agree that these are the industries which we should foster in every possible way.

MR. GREGORY.—We need to be able to obtain rails at a fair price, otherwise we cannot build railways.

MR. FENTON.—The honorable member cannot complain about the price of rails.

MR. GREGORY.—I can, and I have quoted the price.

MR. FENTON.—The Minister for Trade and Customs has admitted that but for the rails turned out by these companies railroad construction in Australia would have been held up.

MR. GREGORY.—Rails cost £8 16s. per ton f.o.b. Port Augusta before the war, and they cost to-day £17 15s. per ton.

MR. WATKINS.—What did rails cost before the war in other parts of the world?

MR. FENTON.—If to-day we are paying £17 per ton for rails, and could get



them for £10 from America, or some other country, would the honorable member for Dampier consider that that was a sufficient reason for abolishing this duty? If the Broken Hill Company and Hoskins Company were wiped out, and no rails were being manufactured in Australia, will the honorable member tell me how much we should then have to pay for imported rails? I have had some experience of the difficulties of producers in other lines. I know that importers are prepared to keep their prices down exceptionally low in order to kill the local industry, so that they may have their own sweet will with the consumer afterwards.

Mr. FOLEY.—The honorable member has not explained the discrepancy between Australian and British prices.

Mr. FENTON.—I do not think we could get rails from Great Britain to-day at £10 per ton. I am reminded by the interjection of a contention urged by the honorable member for Kalgoorlie (Mr. Foley), which he will excuse me for saying was, in my opinion, anti-Australian. He has said that people in Western Australia might obtain goods more cheaply from Great Britain than from the Eastern States of the Commonwealth. If the honorable member is a broad-minded Australian, and believes in the establishment of Australian industries, why should he seek to foster enterprises across the seas? I believe that the honorable member is better than his words, and that if it were a question of the life or death of an Australian industry, he would join with other Western Australians to keep that industry going. I want to see high protective duties imposed for the assistance of essential industries in Australia. That is the way in which the prosperity of other countries has been built up. If Australia is to be a nation, and we are to be worthy of the name of Australia, we must, whether we are Free Traders or Protectionists, do all that is necessary to make Australian industries secure.

Mr. LISTER (Corio) [6.20].—The concluding sentences of the honorable member for Maribyrnong (Mr. Fenton) should carry weight with all who have heard them, and with all who will read them. If Australians are to make the most of their country, they must do all that may be necessary to protect its industries.

Many honorable members who have spoken have regarded this question from the personal rather than from the national stand-point. In my judgment, we ought to view it from a very much wider angle. I wish to state, briefly, the reasons which induce me to support the amendment of the honorable member for Newcastle (Mr. Watkins). I believe that we should give the iron and steel industry additional protection, seeing that it is our key industry. We ought, therefore, to regard it from the view-point of our duty to Australia. I specially desire to stress its importance to the man upon the land. Throughout the entire Tariff debate, the Deputy Leader of the Country party has advocated the imposition of low duties. He belongs to a party which is supposed to represent country interests. But may I remind him that were it not for the protection which has been afforded the iron and steel industry in Australia, we would not have been able to extend to the man upon the land in Victoria the facilities which he enjoys to-day.

Mr. GIBSON.—To what facilities does the honorable member refer?

Mr. LISTER.—During recent years, land settlement in this State—and, doubtless, in other States—has been considerably extended as the result of the establishment of the iron and steel industry. In Victoria alone, I understand that more than 300,000 acres have been settled by soldiers during the past few years. The Victorian Government found it necessary, for developmental purposes, to construct certain railway lines; and it was able to build these only because of the establishment of the iron and steel industry. The rails which were used in the construction of the lines from Piangil and Manangatang towards the Murray, and also in the line linking up Horsham with Portland, were manufactured in Australia.

Mr. FENTON.—Many of the recently constructed lines were built for the purpose of assisting soldier settlement.

Mr. LISTER.—That is the point which I am endeavouring to emphasize. These men would not be enjoying the facilities which they are enjoying to-day but for the protection which has been extended to such enterprises as those conducted by the Broken Hill Proprietary



Company and Messrs. Hoskins and Company.

Mr. FLEMING.—Some of them said that they did not want protection.

Mr. LISTER.—In most industries, the conditions which obtain to-day are vastly different from those which obtained prior to the war. There are many reasons why this particular industry should be fostered in every possible way. I have here a table which convincingly demonstrates the assistance which it has rendered in the development of this country. I gather from the table in question that between June, 1915, and 26th May, 1921, no less than 47,057 tons of rails and fishplates were manufactured for the Commonwealth railways. During the same period, rails and fishplates manufactured for the various State Governments amounted to 222,441 tons, or a total of 269,498 tons. The pig iron manufactured for use by the Commonwealth and State Departments represented 24,468 tons, and the structural material 20,974 tons. Sundry products manufactured for the same Governments during the period indicated amounted to 13,139 tons—a total of 58,561 tons, and a grand total of 318,059 tons. These figures relate to the quantities manufactured by one firm alone, and I have full authority for saying that they may be verified by any honorable member who doubts their accuracy.

*Sitting suspended from 6.30 to 8 p.m.*

Mr. GABB.—I call attention to the state of the Committee. [*Quorum formed.*]

Mr. LISTER.—I may be pardoned for drawing special attention to the great value of the services rendered to the Empire by the Broken Hill Proprietary Company in the later years of the war, and subsequently. It will be remembered that as the war progressed the Mother Land became very short of material for railway construction and other purposes, and was getting supplies wherever these could be obtained. This company contracted to manufacture a considerable quantity of material for war purposes; but, as it was recognised that it would be difficult to transport that material to Europe, an arrangement was made between the British and South African Governments under which the latter sent all the material it could spare to Europe, the

Broken Hill Proprietary Company by arrangement replacing such material. The company manufactured 17,900 tons of ammunition steel for the British Government, and 21,338 tons of rails and fish plates for use in France, or 39,238 tons of material altogether. Those opposed to any increase of the duties on pig iron have based their opposition in part upon the likelihood of such an increase prejudicing agricultural operations. Later I shall show how small a percentage of the output of the company is covered by the demand for steel for agricultural purposes; but in the period between June, 1915, and the 25th May last the company produced 27,033 tons of special plough steel and similar material. The honorable member for Maribyrnong (Mr. Fenton) and other speakers have touched upon what has been done by it in furnishing dockyards and supplying shipbuilding material. At considerable inconvenience and loss the company has supplied material at prices lower than those at which it could be obtained from overseas. It has also sent its productions to New Zealand and to the Federated Malay States. Steel plates and sundry products amounting to 29,863 tons were forwarded, for shipbuilding and dockyards. The New Zealand Government Departments have been supplied with 5,906 tons of rails and fish plates, and 2,000 tons of sundry other material. To the Federated Malay States the company has sent 11,849 tons of rails and fish plates. The company has manufactured 70,604 tons of wire rods for fencing wire and wire netting, and the Minister has told us that in April, 1920, the price of wire f.o.b. Newcastle was £24 10s., and that similar wire from England cost £42 f.o.b. A member asked what it cost in the United States of America, and I have since ascertained that in March, 1920, at Pittsburg, wire for domestic use cost £24 10s. 6d.

Mr. FLEMING.—Of the same gauge?

Mr. LISTER.—Yes. Many charges would have had to be added had the users of wire in this country been supplied from Pittsburg. Thus it will be seen that the Broken Hill Company was supplying the farmers of this country more cheaply than they could buy



wire manufactured abroad. The company has exported 45,696 tons of fish plates and rails, pig iron, and sundry other products to Java, Japan, the East Indies, &c., and has supplied Australian and New Zealand merchants and manufacturers with 193,087 tons of material, its total output for the period with which I am dealing being 743,347 tons. These figures are striking evidence of the importance of the company, and justify its encouragement. Of its output in this period 43 per cent. was represented by fish plates and other materials for Commonwealth and State railways and other national works, 5 per cent. by war material, 4 per cent. by material used for agricultural purposes, 4 per cent. by material for use in ship building and dockyards, 1 per cent. by material for the New Zealand Government Departments, 2 per cent. by material for the Government of the Federated Malay States, 9 per cent. by wire rods for fencing wire and wire netting, 6 per cent. by material exported to Java and elsewhere, and the remaining 26 per cent. by material used in Australia and New Zealand. The capital invested in the company amounts to £4,500,000, to which must be added an estimated expenditure of between £1,000,000 and £1,500,000, making a total of £6,000,000. The company pays about £27,000 and £30,000 a month in wages, and its men are not underpaid.

**Mr. MATHEWS.**—We hope to get still more out of it.

**Mr. LISTER.**—It cannot pay more unless it gets the protection that it needs. The company gives direct employment to over 5,000 persons, and the indirect employment it causes is so great that it would be foolish to do anything to retard its progress.

It has been suggested that this and other similar companies are huge profiteers. I have no figures to prove the extent of the alleged profiteering.

**Mr. McWILLIAMS.**—The honorable member did not expect the company to supply him with such figures!

**Mr. LISTER.**—I would ask the honorable member what he regards as profiteering? I know a man who invested his money in a certain undertaking, and within nine months had returned to him the whole of his capital. He is a returned soldier, and I say, "More power to him."

From one season's crop he got sufficient to return to him the whole of the money he had expended on his property, his implements, and machinery. I do not say that he was a profiteer.

**Mr. FOLEY.**—He was a "poor struggling farmer."

**Mr. LISTER.**—Exactly. I know of few sections in the community who, proportionately, are able to ride about in motor cars to a greater extent than do the "poor struggling farmers." I have quite a lot of them in my electorate. Any man who, by using the brains that God has given him, together with his strength and his capital, is able to acquire a competency, is deserving of credit. This Committee will be well advised in supporting an increase of these duties.

**Mr. FLEMING.**—So that the "cockies" cannot have motor cars?

**Mr. LISTER.**—Not at all. Despite all that we hear of hard times, there is more real prosperity in this country than ever before. Undoubtedly many men on the land have been hard hit as the result of drought and other adverse conditions, but we cannot close our eyes to the fact that more people in the community have credit balances in the bank than ever before.

**Mr. ROBERT COOK.**—The honorable member for Darling (Mr. Blakeley) did not say that the other day.

**Mr. LISTER.**—If the honorable member wants confirmation of my statement, he will find it in the *Commonwealth Year-Book*.

**Mr. CORSER.**—The honorable member is speaking now of Victoria.

**Mr. LISTER.**—The honorable member can think only of sugar and the poor sugar farmers.

**Mr. MATHEWS.**—The sugar farmer has done very well.

**Mr. LISTER.**—I think he has. The Committee ought to hesitate before casting a vote that would jeopardize an industry of this importance.

**Mr. CHARLTON (Hunter) [8.20].**—I hope that the Minister (Mr. Greene) will state what he intends to do. We desire to push on with business, but we realize to the full that this is a most important item, and are emphasizing our views with the object of securing increased duties in respect of it. The discussion has shown beyond doubt that the iron and steel



industry is the key industry of Australia; that it needs to be fostered, and that during the war it was of considerable assistance to us. That position having been established, surely the Committee should be prepared to take such steps as will prevent the industry from going under as a result of outside competition. I know that some honorable members think the present duties are sufficient; but, as I said last week, the conditions to-day are altogether different from what they were some fifteen months ago, when the Tariff schedule was first submitted. Everything that goes to make up the manufacturing costs has increased in price. I spoke last week of the increases in respect of coke, harbor charges, wages, and other items. I find that Mr. Hoskins, in referring to this matter at a social function held at Wollongong last week, announced that—

All arrangements were now complete for proceeding with the construction of up-to-date iron and steel works on a site purchased by his company at Port Kembla. He referred to the large increase which had taken place in the price of coke, as a result of the increase in coal miners' wages during recent years, the price having advanced from 13s. 6d. to 33s. 6d. per ton. In addition, as a result of the increase in the price of coal, freight on coke from the South Coast to Lithgow had increased from £35,000 per annum to £60,000.

Here we have the statement that coke to-day is costing 33s. 6d. per ton as against 13s. 6d. That is a very big increase.

MR. GREENE.—Over what period has that increase taken place?

MR. CHARLTON.—I think it is since the last increase in the price of coal.

MR. GREENE.—It covers a longer period.

MR. CHARLTON.—It may be that it covers the period dating from the beginning of the war. I cannot say exactly, but I know that the last increase in the price of coal was a large one, and must have led to a considerable addition to the price of coke.

MR. FLEMING.—Is Mr. Hoskins asking for increased duties on iron and steel?

MR. CHARLTON.—All the iron and steel manufacturers are doing so. Mr. Hoskins said that if the position were not improved he would have to dispense with the services of a lot of his employees.

MR. FLEMING.—It is only a little while since that he said something very different.

MR. CHARLTON.—But conditions have changed since then. It is because of the changes that have taken place in other parts of the world that we must do something more to protect our own industries. Wages have decreased in practically every industry in Great Britain, and the position here must be affected by that fact. It has been argued that we should make no increase in the general Tariff on iron and steel. I read this evening a statement made by Mr. Claxton, President of the Iron and Steel Manufacturers of Great Britain, that material for the manufacture of iron and steel in England to-day was being largely imported from Germany, France, and Belgium. Surely that in itself is sufficient to warrant an increase in respect of the general Tariff with the object of protecting our own industries. Circumstances have so changed since the Tariff schedule was laid on the table that it is a fair thing to increase these duties.

MR. McWILLIAMS.—Has the honorable member ever heard of circumstances arising that warranted a decrease?

MR. CHARLTON.—The iron and steel duties in the United States of America have been decreased, and the same thing may happen here once the industry is thoroughly established. The point we have to consider is whether we ought not to firmly establish such industries in our own country.

MR. McWILLIAMS.—The older they get the hungrier they become.

MR. CHARLTON.—That is the cry of the Free Trader. I have no desire that additional costs shall be heaped upon the community, and I remind the Committee that the Minister has promised to appoint a Tariff Board which will be able to deal with excessive charges made by any industry. In that Board we shall have security. It has been argued that if we increased these duties, prices would go up. I am not convinced that they would. If British manufacturers of iron and steel, because of the reduction in wages and other costs there, are able to tender for supplies here at a rate below that possible to local manufacturers who have regard to and observe reasonable labour conditions, they will cut into the local market. If they can quote a few shillings per ton below the local prices, contracts will go



to them, with the result that our industry will be left stranded. The imposition of additional duties would not necessarily mean additional prices. If British manufacturers could sell at 5s. per ton below the price ruling here, the imposition of an additional duty of 10s. per ton would mean that they would have to increase their tender by that amount. Our local manufacturers would then be able to secure tenders by putting up their prices to the extent of only 5s. per ton. Those of us who support increased duties in respect of this item are actuated only by a desire so to protect the industry that it will be able to expand and supply all local requirements.

The honorable member for Maribyrnong (Mr. Fenton) has referred to the inquiry made by the Public Accounts Committee into the shipbuilding industry. I took part in that inquiry, and we had evidence that but for the establishment of the Broken Hill Proprietary Company's works no shipbuilding would have been done here during the war. There was great difficulty in obtaining plates. The Broken Hill Proprietary Company at the time did not have the requisite plant, but went out of its way to help the country in its time of need. It is now getting the necessary plant for rolling the sheets. Surely we should do something to insure that this industry will go ahead. I am speaking in the interests, not of the company, but of Australia and its development. Those who invest their capital in works of this kind ought to be assured of a market. The Minister would shorten the debate by stating exactly what the Government is prepared to do. When I was speaking last week, the honorable member for Dampier (Mr. Gregory) interjected that he would not object if the duty under the general Tariff were increased.

Mr. GREGORY.—I said I was not working so much upon the duties under the general Tariff.

Mr. CHARLTON.—The honorable member said he would not object to the duties being increased in respect of imports from countries outside the Empire. He is working for something else.

Mr. GREGORY.—I want my amendment for a reduction to be carried.

Mr. CHARLTON.—There ought to be a further increase in the Tariff as against Great Britain, whereas the honorable member desires a reduction. Any reduction which would permit Great Britain to compete successfully in Australia would mean taking the market from our own people.

Mr. GREGORY.—You must remember that our iron deposits are richer and better than those of the Old Country, and that we pay less for our coal, while the wages in the two countries are pretty much the same on the average. Then, in addition, there is the natural protection.

Mr. CHARLTON.—The natural protection does not count for much.

Mr. GREGORY.—It amounts to £3 8s. 6d., or £3 10s. per ton.

Mr. CHARLTON.—I do not know that it does if we take into consideration the freight for carrying iron and steel from, say, Newcastle to Western Australia.

Mr. GREGORY.—Do not forget that in the steel trade there are hundreds of items that the Broken Hill Proprietary Company cannot and will not supply for years. Our requirements in regard to these are very small.

Mr. CHARLTON.—I do not know that there are hundreds of items that the Broken Hill people cannot supply. That proprietary is increasing its fine plant, and subsidiary industries are being established in close proximity. I do not think there are any items amongst those before us that the Broken Hill people cannot supply.

Mr. CORSER.—There are some.

Mr. CHARLTON.—Not many.

Mr. GREENE.—Yes, there are items in this division, but not embraced in the sub-item before us.

Mr. CHARLTON.—Where it is shown that items cannot be manufactured here, we do not desire duties to be imposed. The Broken Hill Proprietary Company are making provision for increasing their plant in order to produce plates.

Mr. CORSER.—Up to 6 feet.

Mr. CHARLTON.—Whatever we can manufacture ought to be protected and Australia made self-contained at the earliest possible moment. I am surprised that there are honorable members who have



not had that lesson impressed upon them by the war. How often have we discussed what Australia would have done had it not been for the establishment of works like those of the Broken Hill Proprietary Company, Hoskins, and others? We should not have been able to get supplies, the factories on the other side of the world being kept engaged meeting the requirements of the nations at war. In the event of another war overseas, even if the Empire were not directly involved, we should be entirely without supplies unless we manufactured them here. In such event, I venture to say that Australia would suffer as much as if we were actually at war. The Minister has had the week-end to consider the matter, and I think he ought to be able to say whether he can now meet us.

Mr. CORSER.—The duties in the subsidiary industries would have to be raised in the same way as those on pig iron.

Mr. CHARLTON.—Quite so. We cannot increase the duties on pig iron without making similar provision for the finished article. The basis is the production of pig iron for the manufacture of steel and so forth, and once we have laid the foundation, we may deal with the other products according to the necessities of the position.

Mr. GREGORY.—Under Free Trade we exported a considerable quantity of pig iron.

Mr. CHARLTON.—I do not know that we exported a great quantity at any time, but I know that to-day it will take these industries all they can do to supply the requirements of Australia. With the present conditions abroad, I see no prospect of an export trade. There are reductions of wages in almost every calling.\*

Mr. GREGORY.—We exported pig iron in 1920, and we have been exporting it since 1907.

Mr. CHARLTON.—It would be very unfair to take the exports during the war period, or the year or two immediately following.

Mr. McWILLIAMS.—Or the import prices.

Mr. CHARLTON.—I never found an argument on what happened during the war when the conditions were abnormal. Conditions are now returning to what may be called normal.

Mr. McWILLIAMS.—The only fair comparison is between pre-war prices and present prices.

Mr. CHARLTON.—I never expect conditions in this country to return to what they were before the war.

Mr. GREENE.—I do not think that we shall again see the pre-war conditions even in England.

Mr. CHARLTON.—Quite so, and I hope that throughout the world conditions will be better than they were then; if they are not, the war has been in vain so far as any gain to the great masses of the people is concerned. To-day prices are falling rapidly, and my object is to create and maintain such conditions here as will conduce to general contentment. I have no desire to see prices and values tumbling down too fast, for that only means suffering. If ever there was a time when we should have a buoyant revenue it is the present.

Mr. GREGORY.—Could we not assist the industry by a bounty, when the burden would not all fall on one section of the community?

Mr. CHARLTON.—I prefer a duty to a bounty, and in my opinion a duty does not fall on one section of the community, but on every section.

Mr. GREENE.—In the case of iron and steel, the duty falls all round.

Mr. CHARLTON.—There is no doubt about that. I do not think, however, that the community will be asked to carry any additional load.

Mr. GREGORY.—Then, why increase the duty?

Mr. CHARLTON.—Because at the present time there is a rapid fall in the cost of labour, coal, and freight, and we must adjust our affairs to meet the altered circumstances.

Mr. GREGORY.—You cannot argue that way on present prices.

Mr. CHARLTON.—Yes, I can, and I repeat that we ought, as far as possible, to make this country self-contained.

Mr. McWILLIAMS.—What would you do with surplus production?

Mr. CHARLTON.—As to that, I should wait until we have surplus production.

Mr. McWILLIAMS.—There is big surplus production sometimes, you know.



Mr. CHARLTON.—The industries in which we have surplus production have done fairly well during the war.

Mr. McWILLIAMS.—But you say we must cut out war prices!

Mr. CHARLTON.—If we should have surplus production I do not think we could hope to compete with other parts of the world. My idea is that we must manufacture for our own home markets, for the reason that the working conditions abroad are altogether different from those in Australia. Wages are lower, for instance.

Mr. McWILLIAMS.—In America and Canada?

Mr. CHARLTON.—The honorable member has selected probably the country where the best conditions prevail; but, even so, I do not think the conditions in America are to be compared with those in Australia.

Mr. FLEMING.—How about the man who has to export other products?

Mr. CHARLTON.—Those are mainly staple products in demand all over the world, and the exporters have done very well during the last few years. I refer to wool, wheat, and commodities of that kind.

Mr. FLEMING.—The small graziers in New South Wales are worse off now than I have ever known them to be during the last thirty or forty years.

Mr. CHARLTON.—I believe that is so in the north-west of New South Wales, but that arises chiefly from drought. When these graziers were doing badly, graziers elsewhere were doing well.

Mr. FLEMING.—As a whole, the small graziers of New South Wales are worse off to-day.

Mr. CHARLTON.—We cannot prevent visitations of drought; and, while certain parts of the Commonwealth suffered from that cause, other portions, more fortunately situated, were doing exceedingly well on account of the prevailing high prices.

Mr. FLEMING.—That may be so in regard to a few of them, but the majority have not done at all well in the last five or ten years.

Mr. CHARLTON.—I sympathize with those who suffer on account of drought; but, as the honorable member knows, 1s. 3½d. has been paid for wool, and there is still all the Bawra wool.

Mr. FLEMING.—We are millions of sheep short.

Mr. CHARLTON.—In certain parts of the country.

Mr. FLEMING.—Taking Australia as a whole, we are millions of sheep short.

Mr. CHARLTON.—That may be so, but it does not follow that we are short in every part of Australia. Those who produce wool have been getting the best prices they ever got.

Mr. FLEMING.—The Broken Hill Proprietary Company, in the last five years, has made as much profit as nearly all the graziers in New South Wales put together.

Mr. CHARLTON.—We may dispense with what happened in the last five abnormal years; in any case, did not everybody who could do so make as much profit as possible? Did the importers not do the best they could for themselves, and realize huge profits? Why single out one industry in abnormal times?

Mr. FLEMING.—The industry which the honorable member desires to bolster up with higher duties has made more profit than other producers who have to sell in the open market.

Mr. CHARLTON.—It is easy to make statements. I am not here to "bolster up" the Broken Hill or any other company.

Mr. McWILLIAMS.—You are making a very good attempt!

Mr. CHARLTON.—Quite so, for the purpose of protecting those who are engaged in the industry, and because I know how vital it is that Australia should be self-contained. I cannot understand how men who went through the recent war can say that they are not in favour of establishing industries here.

Mr. McWILLIAMS.—Because the manufacturer took full advantage of the war to bump up his prices.

Mr. CHARLTON.—Supposing we admit that, who has said it oftener than myself in this House? I pointed out in this Chamber during the war that manufacturers, importers, and everybody else had increased their prices without justification. I advanced a scheme here with which nobody else was in sympathy in order to prevent that sort of thing, but because that was done, and because this Parliament permitted it to be done, is that any reason why, at this juncture, we



should allow our industries to be strangled, especially when we have from the Minister a guarantee that he will appoint a Board to keep an eye on these things, so far as the Constitution will permit him? What greater safeguard can we have than that, unless it be the granting of further powers under the Constitution than we have at present? The position to me is unchallengeable. I do not know how any one can argue against the fact that we must be self-contained and keep our own industries going. Take, as an example, one of the subsidiary industries. A couple of months ago I met a man who had been working at the nail works. They were then idle, and are still idle. I asked him why, and he replied, "Because we cannot get orders; and unless the Tariff protects us our industry will be a dead letter." A great deal of money has been put into that particular company, which did not make big profits during the war, because it has only been established since the war ended. Are we going to allow works of that kind to become defunct, or shall we impose a Tariff sufficient to keep them in existence? There is no other question to be answered.

MR. FOLEY.—How will this Tariff help those nail-works people?

MR. CHARLTON.—If we put on a duty sufficient to prevent foreign goods from coming in, they will have a chance to capture the local market.

MR. FOLEY.—And they will not put up their prices, will they?

MR. CHARLTON.—I could not say that, so far as the nail works are concerned.

MR. FOLEY.—If they do put up their prices, will not the consumer pay?

MR. CHARLTON.—Of course, the consumer will pay. That is always the Free Trade argument. Who else will pay but the consumer? Who pays for everything?

MR. McWILLIAMS.—The producer, generally.

MR. CHARLTON.—The producer also happens to be a consumer, and the consumer pays for everything. The whole question is whether we should produce all that we require within Australia. If we do, and if we keep the conditions of the Australian people up to such a level that they can have everything necessary to rear families in reasonable comfort, we shall be doing good work. If we take the duties off,

as the honorable member for Kalgoorlie (Mr. Foley) would infer that we should, we shall allow cheap stuff to come in from outside, and provide no employment for our own people. Some of those who advocate that course are, strange to say, in favour of bringing immigrants to Australia. If we bring them here, what are we going to give them to do? The representatives of the producers say that they are doing nothing, and that it is of no use to put immigrants on the land, because there is no outlet for their produce. If we are not going to settle them on the land, where are we to employ them if we do not establish industries? Do honorable members want to see 100,000 men walking about the streets looking for employment in the next six months, while with our money we give employment to people on the other side of the world? That is the effect of their argument. They say, "It does not matter about populating Australia so long as we can get things a little cheaper from abroad, even if by so doing we give employment to the foreigner who is working under worse conditions than our own people." I hope the Committee will not adopt any such policy, and that we shall not go back to conditions prior to the war, when we were dependent on people abroad. We can be self-contained. We have these industries fairly well on their feet, and it would be a retrograde step to permit the free entry into this country from abroad of materials manufactured under conditions much worse than our own. If we do not have a reasonable Tariff, one of two things must happen. Either these works will have to make a reduction so far as their workmen are concerned, or they will have to close down.

MR. GREGORY.—Oh, no!

MR. CHARLTON.—What other result is possible when we have evidence to-day that contracts are being accepted here from Great Britain, because that country can supply certain materials cheaper than they can be manufactured here? We can expect that condition to become intensified during the next six or twelve months, because, judging by what is happening abroad, there will be still further reductions. Everything is coming down.

MR. GREGORY.—But you have the evidence that Canada, although she has to import a great quantity of coal and pay



duty on it as well, has still been able to build up her industry with far less protection against America than we have against England.

Mr. CHARLTON.—I am not familiar with what Canada has done, but the history of the United States of America shows what that country did to establish her iron and steel industry. We also have to go through the mill. We have to do what the United States of America has done. The records show that in America, as time went on, the industry became established, and the products from the local factories became cheaper. That is an answer to the statement made just now by the honorable member for Kalgoorlie, by interjection, that the Tariff would increase prices for all time. If we establish industries on a proper footing, they will have a market, and the greater their output the lower will be their selling price. If the Minister has control over the manufacturing industries and is able to see that everything is fair and above board, what else can we ask for? I do not know what we have to complain about. I hope the Minister will make a plain statement of his intentions. I trust that he is prepared to increase the general Tariff and deal adequately with the question of exchange so as to prevent Belgium and other countries dumping their stuff here. If he does that, he will be doing good service for Australia, and will not increase the cost of these articles to any extent, if at all. We ought to conserve this market for our industries, and make sure that we do not allow competition from abroad, because the competition I have indicated is really cut-throat competition. Nobody can say that it is fair competition. Everything is falling in price on the other side of the world, as we see in the cables day by day, and it is our duty as legislators to protect this young country from that sort of thing happening here. I hope the Minister will make a statement now regarding his intentions, in order to shorten the debate, and that he will submit proposals more favorable than those that appear on the schedule as it stands in the Tariff at the present time.

Mr. FLEMING (Robertson) [8.53].—Having listened to the very earnest address of the honorable member for Hunter (Mr. Charlton), I wish to put an-

other side of the case. The honorable member has made out quite a good case for the iron industry and the employees in it, but in doing so he has attempted to lay a very heavy tax on people who at present cannot afford it. When I interjected, in the course of his speech, that quite a number of men on the land had been having a hard time, and that increased duties on iron would press on them with undue severity, he doubted my statement that so many men were suffering. It so happens that to-day I received a letter from an agent in one of the very best districts in New South Wales. This is a district that I know well, and I know the writer personally. He has lived there for over thirty years, and has been a stock and station agent in the township and the district for over twenty years. He knows the conditions of the small man on the land there very thoroughly. I shall read what he has to say, because I do not want the honorable member for Hunter or the Committee to think that I am trying to exaggerate the distress of the people in the country districts. I shall read it in order to show that men actually in the business, whose interests are in it, and who understand it from beginning to end, realize to the full the severity of the present pressure on the small holders. If we pile taxation on them, or go on imposing duties for the sake of bolstering up other industries, I do not see how these men are going to continue.

Mr. CHARLTON.—I doubt whether their position is not worse under the Bawra scheme, which the honorable member supported.

Mr. FLEMING.—I was against the Bawra scheme.

Mr. CHARLTON.—I know; but a number of the honorable member's colleagues supported it.

Mr. FLEMING.—The House made a grievous mistake in supporting that scheme. The letter to which I have referred is as follows:—

Almost every man to-day owes some one money. As a rule, in the country districts the small grazier and farmer owes the produce merchant, the general storekeeper, and the stock and station agent considerable sums of money. The agent, merchant, and storekeeper owe this money to the bank. This in normal times would not matter, as the money is not remaining stationary, a dead debt, as it were, but is being passed round one man to another;



in debt to-day and out to-morrow, and so on, money changing hands and being turned over daily. But in abnormal times like the present, the banker says to the storekeeper or merchant, or whoever is the first borrower, "You must reduce your overdraft, or, at any rate, you must not exceed your limit." He, in turn, hands the bad news to the next borrower, and it comes back to the man on the land, big or small. He makes all sorts of efforts to meet the calls on him by sacrificing his stock, which is his capital, by doing without almost everything usually considered a necessity of life, and by not employing any labour at all, and the casual labourer goes to swell the unemployed.

The fact cannot be too strongly emphasized that the small man on the land continually goes without what the average person in the city considers absolute necessities of life. These men live in a very much harder way than the wage-earner in the cities; yet all the time the House seems to be going in the direction of bolstering up the city wage-earners, whom we can protect, at the expense of these men who are living a much harder life, and whom we cannot protect. The writer continues—

Now if you will read the last September speech of the chairman of the Bank of New South Wales you will find that he says every ewe saved in Australia is a national asset worth at least £3. The Minister for Lands, in the New South Wales Parliament, said the same thing, and almost every man in the Commonwealth agreed; and we find that good ewes are being sold at every fat stock market in the State at 10s. to 15s. per head. I have seen them sold in the last few weeks at 3s. each. The only reason is that people are being forced to sell to meet engagements, and the man with money is also selling his fat stock at the present low prices because he can replace them from less fortunately placed men as stores, at prices so low as to make one wonder whether it is worth while to hold land at all.

The **TEMPORARY CHAIRMAN (Mr. Atkinson)**.—Does the honorable member intend to show that the duty on pig-iron affects the people to whom he has referred?

**Mr. FLEMING**.—I am trying to answer the argument of the honorable member for Hunter, who advocated increased duties on iron and iron products. As the honorable member for Barker (Mr. Livingston) rightly interjects, the man on the land cannot manage his property without using iron wire. As a matter of fact, to-day, country which has been well improved is falling into a state of disrepair because of the high cost of

wire, wire-netting, and iron; yet to-day we in this House are going the right way to make them still dearer. What this man states in his letter are, to my knowledge, as well as his, absolute facts regarding the position as it now exists throughout a great portion of the Commonwealth. Australia to-day is millions of sheep short. It has a few more cattle than it had fifteen or sixteen years ago, but despite the fact that we have had a smaller increase in cattle than in population, and that our markets have widened throughout the world, the price of cattle to-day is worse than it was ten or fifteen years ago. Despite the fact that we are millions of sheep short, and that our market for sheep has widened, sheep are not worth as much to-day as they were ten or fifteen years ago.

**Mr. MATHEWS**.—The public are not getting the benefit.

**Mr. FLEMING**.—Nor is the grower. Wool to-day is at such a price that every practical man knows that it will not pay for the growing.

**Mr. CHARLTON**.—Would you ask that, because of the bad position these people are in, we should have no Tariff at all, in order to allow what they require to come in cheaper?

**Mr. FLEMING**.—No, I have never advocated any such thing. I have advocated Free Trade within the Empire as far as possible, but I have never advocated free imports from the rest of the world. We can do a very great deal to keep the iron and steel trade within the Empire, because Great Britain has been and is one of the greatest iron producers in the world. We do not want to see the introduction of cheap German and Belgian iron products, but we can go a very long way towards keeping down the terrible costs that are being imposed upon our struggling primary producers. Even if British products do cost a little more, the quality will make up for the difference. Any man who has had to do with fencing wire will prefer the British product every time if it can be obtained at anything like the same price as the product from other countries. That is what I stand for in this House. I rose particularly for the purpose of impressing on the Committee the fact that there are two sides to this question. It is very easy



for the honorable member for Hunter (Mr. Charlton) and the honorable member for Newcastle (Mr. Watkins) to be impressed with the conditions that obtain in Newcastle. Every one knows how important the iron and steel industry is to the welfare of that city. I have been over the works myself, and I appreciate their value as a national asset, but we cannot afford to destroy other assets, which may be even more important to Australia, in order to bolster up that particular industry.

Mr. WATKINS.—Will you show how my proposal will do that?

Mr. FLEMING.—I understand the honorable member proposes to increase the duty on pig iron by 50 per cent. If that is done the primary producer will have to pay more for his material and machinery, and in some cases may be unable to carry on in competition with producers from other parts of the world. Unless we can ease up the burdens that are pressing on the primary producers of the Commonwealth a tremendous number of them—and they are the mainstay of Australia—will go under. Unfortunately, our primary producers cannot be protected, so that all we can do by means of this Tariff is to make the burdens as light as possible and enable them to get the best price possible for their products in the open markets of the world.

Mr. MARR (Parkes) [9.3].—During my remarks upon this item last week I made certain statements with regard to the Broken Hill Proprietary Company's operations that were doubted by honorable members opposite. I have the greatest respect for the enterprise of that company, and last week I said I was prepared to support the Tariff provision proposed by the Minister (Mr. Greene) in order to help in building up the iron and steel industry in Australia; but that, at the same time, I was opposed to the creation of any local monopolies or combines which might prejudicially affect the welfare of the Commonwealth.

Mr. CHARLTON.—When you spoke last week you were not aware of the Minister's proposal to appoint a Board?

Mr. MARR.—That is quite true. I said that the Austral Nail Company was one of the subsidiary industries which, I thought, was under the

thumb of the Broken Hill Proprietary Company. Honorable members opposite challenged the statement, and asked for the name of the manager, which I said was Mr. MacDougall, and I was thereupon told that he had never appeared in the Arbitration Court, and had not made any statement. I have gone to the trouble of examining the minutes of the Arbitration Court, and for the information of honorable members I desire to read the following, which is an abstract from a transcript of evidence given in the Court of Industrial Arbitration of New South Wales, before His Honour Judge Curlew, on Thursday, 24th February, 1921:—

*Re* Wire Makers, &c. (Austral Nail Proprietary Co. Ltd.) award.—Application by wire netting workers of New South Wales for variation.

*Re* same.—Application by Australian Steel Industry Union for variation.

*Re* Wire Makers, &c. (State) Board.—Application by wire netting workers of New South Wales for award *re* wire makers and wire drawers.

*Re* same.—Application by Australian Steel Industry Union for award *re* barbed wire and wire nail makers (Austral Nail Pty. Co. Ltd.).

*Re* Wire Netting Makers (State) award.—Application by wire netting workers of New South Wales for variation.

Ronald Malcolm MacDougall, sworn, examined, deposed.

To Mr. Braye.—I am the director of the Austral Nail Company Ltd. That company carries on its work at Port Waratah, Newcastle, on the Broken Hill Company's land.

To his Honour.—We don't pay rent for the land, but the buildings belong to the Broken Hill Propy. Co. Ltd., and we pay interest to them on the cost of the buildings. That is equivalent to rent.

To Mr. Braye.—Our industry is the manufacture of iron and steel wire and wire nails.

To his Honour.—Wire rods are our raw material.

To Mr. Braye.—That is drawn from the Broken Hill Co. The raw material is brought from within a quarter of a mile of our works. There is no other means by which we could manufacture there except by drawing steel from the Broken Hill Propy.'s works.

To his Honour.—Under our agreement with the Broken Hill Co., we are bound to buy from them for a period of ten (10) years, of which two (2) years have expired. While we are there we have to draw the raw material from them on account of our agreement.

To Mr. Braye.—We can get our material into the works . . . by rail by courtesy of the Broken Hill Propy. Ltd.

His Honour.—You might as well say that they are subsidiary to the coal industry because they get coal from it.

Mr. MacDougall.—The Broken Hill Co. put down the rod mill for drawing the wire rods.



In conference with us they decided that they did not want to carry the manufacture any further themselves, if we would do it for them. Under those circumstances we entered into the agreement with them. There was no interchange of capital. The Broken Hill Co. supply all sorts of people with all sorts of things; but they have a say in the management of our company in the question of all sales policies. It is all referred to their sales committee.

I may have been guilty of an exaggeration last week when I said that the Austral Nail Company could not sell a pound of nails without the permission of the Broken Hill Proprietary Company. What I really meant was that they could not alter their selling price without permission. While I admit it would be advantageous if the subsidiary industries could be developed by means of cheap raw material, we must be very careful not to encourage the creation of monopolies such as exist to-day in the United States of America. I accept the Minister's assurance that the existing provision in the Tariff is ample, and if the Board which the Minister has promised to appoint at any time advises that the industry is not being sufficiently protected, I should be prepared to give any recommendations it might make careful consideration.

Mr. CHARLTON.—Is this Mr. MacDougall mentioned in the Arbitration Court proceedings the Mr. MacDougall you referred to last week?

Mr. MARR.—Yes.

Mr. WEST.—Do you know what is the cause of all the trouble? The raw products ought to be nationalized, so that they may be obtained at a reasonable price.

Mr. MARR.—As I have already pointed out, we must be very careful that local monopolies do not exercise too great an influence over subsidiary industries. One has only to look at present prices for spelter to realize this. We are producing the raw material for spelter in the Commonwealth; the local price is £36 per ton, but the London price is only £24 per ton. This is not fair to the Australian public.

Mr. GREGORY.—And the same applies to copper; the local price is 25 per cent. above open-market rates.

Mr. MARR.—As an Australian, I desire to support these industries in order that Australia may become a self-contained nation; but I do not intend to allow my vote to be used to create combines or

trusts that may operate unfairly against the general community.

Mr. CHARLTON.—Last week I denied your statement that the managing director of the Austral Nail Company had made that statement. Now you say it is the same gentleman. They are not one and the same. In justice to him, this should be made clear.

Mr. MARR.—I am perfectly aware of all the facts. When I made the statement, Mr. MacDougall, senior, was in the gallery, and he said he had never been in Court. I never said he had. Honorable members were at cross purposes with me.

Mr. RYAN.—How is the formation of a combine relevant to the amendment to raise the Tariff on this item?

Mr. MARR.—My contention is that if the Tariff is raised above what I consider to be a fair thing, there will be grave danger of allowing control of key industries to pass into the hands of a privileged few. I have listened carefully to the speeches made by honorable members on this important industry. Up to the present their arguments have not convinced me that it would be wise to increase the protection. As a matter of fact, the honorable member for Maribyrnong (Mr. Fenton) spoke in favour of a reduction rather than an increase. However, I am glad the subject has been fully ventilated. I admit that the Broken Hill Proprietary Company has done a great deal for Australia up to the present, and, as I have already said, I am prepared to help that company and Hoskins Brothers to develop this industry; but we must be careful not to allow trusts and combines to become operative in Australia.

Mr. GREENE (Richmond—Minister for Trade and Customs) [9.14].—I must ask the Committee to allow the matter to go to the vote. Every member of the Committee, I am sure, realizes that the iron and steel industry is of vital importance to the welfare of Australia, and agrees that nothing should be done to jeopardize its future. Our national security depends, in great measure, upon its satisfactory development.

Mr. MATHEWS.—You are flattering some of them.

Mr. GREENE.—I cannot bring myself to believe that any member of the Committee would wilfully take up any



other attitude. Some honorable members may believe that the industry can do without this duty; I do not believe that it can. The whole question is whether the proposed duties are adequate. I am of opinion that if the industry is faced with genuine competition from any other country they are adequate, but by themselves they are not adequate protection against dumping. If it is a question of coping with the exchange position I still say that the duties in the schedule are inadequate, and so are those proposed by the honorable member for Newcastle (Mr. Watkins). That situation has to be met by special legislation.

Mr. WATKINS.—I am basing my amendment on the ordinary increased costs during the last twelve months.

Mr. GREENE.—I wish the honorable member to realize that at the time these duties were proposed they were not required at all, and the proof of that is that there is not a single iron or steel product turned out by the Broken Hill Proprietary Company which was not being sold at less than the world's price. The duties were designed to meet not the then existing conditions, but conditions which are fast approaching. Every instance which has been quoted in support of the amendment has arisen not from competition under normal conditions, but from the abnormal conditions of exchange. If we were to attempt in this schedule to meet those abnormal conditions, where should we land ourselves? We should require to put on a rate of duty against America, for instance, which is not required at all, and which would absolutely prohibit any imports from that country.

Mr. MATHEWS.—According to to-day's paper there is a big drop in Pittsburg prices.

Mr. GREENE.—We should not attempt to meet these extraordinary conditions by this schedule, but by special legislation. And it seems to me that, whether the competition arising out of the exchange position comes directly from the country in which there is a depreciated currency in relation to our own or indirectly through some other country, we should be prepared to meet it in both cases by somewhat similar provisions. That is to say, if the iron and

steel manufacturers of Great Britain say, "We cannot produce our own iron and steel and export it to Australia in competition with the local article, so we will use the exchange position to buy German blooms, and roll them into rods and bars for export to Australia," we should be prepared to meet that competition in exactly the same way as we would cope with direct competition from Belgium. I do not wish to occupy the time of the Committee now. I ask honorable members to proceed to a vote, and I suggest to the honorable member for Newcastle that if his amendment is defeated it will be competent for him to test the opinion of the Committee again on the general Tariff. I hope honorable members will feel perfectly free to vote as they deem desirable on the question of raising the general Tariff, and leaving the British Tariff as it is in the schedule.

Mr. CHARLTON.—After all these days of fighting that is no concession at all. I say that we should continue to fight on.

Mr. GREENE.—I suggest to honorable members that they should decide the question by a vote.

Mr. WATKINS (Newcastle) [9.21].—I cannot accept the Minister's suggestion.

Sir ROBERT BEST.—Does the honorable member wish to "stone-wall" the Tariff?

Mr. WATKINS.—I do not.

Mr. RICHARD FOSTER.—That is what the honorable member is doing.

Mr. WATKINS.—I occupy the time of the Committee only when there is work to do. I am not always "gabbing" to the gallery like some of the honorable members who are now saying that we should take the amendment to a vote. If, after the long debate we have had on this question we on this side of the House, who have tried to help the Government in getting the Tariff through, are to be flouted simply because of a request from the Corner party, who have caused trouble all through the piece, the Government will find that they will not make as good progress in future as they have made so far. It is surprising to hear men, who call themselves moderate Protectionists, using the same old Free Trade arguments which we have heard from others whose attitude we can respect, because they are believers in Free Trade. Such arguments, coming from the lips of men who



say that they stand for the development of Australian industry, but will not help big industries like the steel works because they may become a combine and tyrannical, disgust me. Those honorable members have always some excuse for their attitude; for instance, they allege that, on some occasions, local companies could not supply this or that little thing. I shall tell the Committee the struggle men have had in starting the iron and steel and other industries on account of the tactics adopted to kill local enterprise. In asking for increased duties, I am not thinking only of the big key industries at Broken Hill and Lithgow, but they have been mentioned because no iron and steel works would have been possible if undertaken by other than the Government or companies which were financially strong. The attempts by smaller people to establish this industry read like romance. When Mr. Sutherland tried to persuade the merchants of Sydney to stock the iron and steel which he said he could produce in the mountains, and to accept payment as they sold the goods, they replied that they would buy him out, but would not buy his steel. He thought he could start the industry with his own capital; but, in disgust, he blew up his furnace with a charge of dynamite. Here is a request that has been forwarded to the Minister (Mr. Greene) from a small engineering firm in my electorate, but one of the oldest established in Australia—

We regret that time would not allow of your making an inspection of our works at the above address, so we take the liberty of informing you that we have been following in active operation engineering works, foundry, and rolling mill. With regard to the latter, we do similar work to the Lion rolling mills of Melbourne, and manufacture iron and steel bars.

In view of this, it would be impossible for us to keep the mill going should Belgian competition continue as it is doing, and this would mean a number of men thrown out of employment. We respectfully submit that assistance should be given to the industry by increasing the duty to allow us to develop this industry.

MR. GREENE.—It is Belgian competition of which they complain.

MR. WATKINS.—But my figures have related not to the exchange position, but to the general increase of costs.

MR. CORSER.—Those people will require a protection different from that for which the honorable member is asking.

MR. WATKINS.—All these conditions have been considered in connexion with the series of amendments which I intend to submit to the Committee. When a person buys a sheet of galvanized iron or a steel rod, or fencing wire, he expects it to last for thirty or forty years, and, even if the price he pays has been increased to the extent of the duty on the imported article, he pays it only once in that time. But on articles of food and clothing, which the people use every day of their lives, we have increased the duties by as much as 100 per cent. I have every sympathy with the people working on the land—indeed, my own boy is making a start there—but they must have local as well as foreign markets for their produce. Apart altogether from the exchange, the duties imposed in this schedule have been practically obliterated by certain increased costs during the last twelve months. And other means are being adopted. Will honorable members believe that in tenders for State Government works the engineers require the local article to undergo about forty tests, as against the four to which the steel from Great Britain and foreign countries must be submitted. The goods that come from abroad are accepted at their own standard, and the Australian output is submitted to impossible tests in order to keep it up to the standard set up for steel produced in Australia. This is due to an evil influence bearing hard upon Australia from outside. It may be taken for granted, of course, that some special form of legislation will be necessary to deal with the matter of exchange; but these tests of the Australian product are altogether unfair. A man closely interested in the Australian enterprise was going through some great steel works in America, and he told the manager about the tests insisted upon here. The manager's comment was, "Do you ever manage to make a steel rail at all? We could not do so here under tests like that." The state of affairs is one which is tending to kill a basic Australian industry. When the Government went before the country the assurance was given that they would not only protect existing industries, but would extend protection wherever it could be shown that any one was about to invest his capital in the estab-



lishment of a new industry. How have the Government fulfilled this pledge?

Mr. RICHARD FOSTER.—They are doing so.

Mr. WATKINS.—Yes; they have fulfilled it in respect of bananas and onions. But here is a great key enterprise employing, directly and indirectly, between 30,000 and 40,000 people, and the attitude of the Government is such as they might display towards a little side-show. In my earlier experiences of politics in New South Wales I recall that wheat was imported into Australia. The farmers, then, were the keenest Protectionists in all the land. They sought for the imposition of a duty of 3d. per bushel. I voted to assist them, because I believed that I was helping the man on the land. I have assisted to increase the duties on bananas and onions; but now I am to get nothing in return. I ask honorable members to put aside altogether the factor of the Belgian product. The Australian producers have been beaten twice now in their own market by British competitors, even though the latter had to quote against existing duties, and despite that the Australian price was at bedrock. Where did the question of foreign exchange come in?

Mr. GREENE.—But the British competitors were rolling German blooms.

Mr. WATKINS.—What sort of a Government have we? On the one hand they pledge themselves to protect Australian industries, both existing and to come. On the other hand they refuse to give the Australian industry adequate protection against British competitors who are using German material.

Mr. GREENE.—The honorable member is misrepresenting me. I have told the Committee that it is my purpose to meet that position.

Mr. WATKINS.—Then why does not the Minister do so?

Mr. GREENE.—We cannot do so by adding 10s. to the British rate for pig iron.

Mr. WATKINS.—We are facing a serious position. Added to our other competitors there is the Indian menace. Australia is likely to be overwhelmed with iron and steel made by cheap Indian labour. We have been beaten in our own market by British competitors, to whom the existing duties were no deterrent. What further proof do honorable

members require that we are not sufficiently protected? In order to endeavour to defeat my amendment the honorable member for Parkes (Mr. Marr) has adopted tactics which, as he gets older, he will be glad to drop.

Mr. McWILLIAMS.—The honorable member was quite honest.

Mr. WATKINS.—I do not doubt it; but I repeat that, as the honorable member gains political experience, he will not lend himself to such tactics. I, for one, would not stand idle and watch any interest becoming so powerful as to be able to enforce unfair conditions upon smaller and dependent enterprises. But the honorable member for Parkes did not put the position fairly. The Broken Hill Proprietary Company was producing the basic product. It did not wish to go in for the manufacture of smaller lines. However, when the war broke out and this country could not get certain requirements from outside sources, the company came to the rescue and turned out numbers of minor products.

Mr. RICHARD FOSTER.—The company only did so when outside enterprise would not or could not supply the demand.

Mr. WATKINS.—That is true. Its policy has been to produce the big thing, and to encourage and assist subsidiary activities to group themselves around it. There was nothing in the particulars which the honorable member for Parkes quoted beyond ordinary business methods. I recall that a week or so ago the honorable member for Parkes made an allusion to the Broken Hill Proprietary Company "pinching" some other industry. I have the facts contained in correspondence before me; these demonstrate that there is a very considerable difference between giving preferential treatment and conceding ordinary fair play. The type of industry which makes a country great is that which keeps numbers of sub-industries supplied with their basic requirements. Quite apart from Belgian competition, owing to the unusual conditions which have prevailed during recent months, the duties in the schedule are practically inoperative. The Minister put the position very unfairly when he said that when the present rates were agreed upon they were not required at all. It is quite true that at one period we had natural protection, as very little



shipping space was available, and, consequently, importations were not coming forward; but that is not the position to-day.

Mr. GREENE.—I said that because the honorable member had been contending that owing to the changed conditions in Australia the duty had been voided.

Mr. WATKINS.—Twelve months ago we were not so concerned with the duties imposed, because Australian industries were in a position to compete with manufacturers abroad; but wages have increased, hours have been reduced, and coal has gone up in price. While conditions in Australia have been altering in that direction, wages abroad have been reduced, as also have freights, with the result that the protection we enjoyed has been removed.

Mr. HECTOR LAMOND.—If Australian manufacturers had adequate protection in consequence of high freights, or the absence of freight, that would have to be calculated against increased costs from that time up to the present.

Mr. WATKINS.—There is no shortage of freight to-day.

Mr. HECTOR LAMOND.—Assuming that the shortage of freights gave the Australian manufacturer protection to the extent of 35 or 40 per cent., we would have to add that to our present rates.

Mr. WATKINS.—It would have to be added to put them in a similar position.

Mr. HECTOR LAMOND.—No; they have gone back 50 per cent., and not 25 per cent.

Mr. WATKINS.—The Minister has gone back 100 per cent.

Mr. RICHARD FOSTER.—Why does not the honorable member quote figures in regard to the rail contract he mentioned?

Mr. WATKINS.—In dealing with this matter last week, I pointed out that coal had increased in price by 4s. per ton during the past twelve months.

Mr. GREGORY.—We all know that. We want further information concerning the contract for rails which the Australian manufacturers failed to secure.

Mr. WATKINS.—I have not the figures before me, but I have received other particulars from an expert who has given the matter close attention.

Mr. McWILLIAMS.—Then, why not get the difference in the price of the tenders from the same authority?

Mr. WATKINS.—The honorable member will not bamboozle me. I have already informed the Committee that the Australian manufacturers submitted a bedrock price.

Mr. RICHARD FOSTER.—Yes; but we want to know the difference in the tenders submitted.

Mr. WATKINS.—The honorable member knows the ordinary conditions of tendering, and must realize that there would not be any conditions which would specifically favour an Australian manufacturer. I was informed that manufacturers who had to pay duty on their products secured the contract; and, quite apart from exchange or anything else, that should be sufficient to prove that higher duties should be imposed. It has been said by some honorable members that, if we agree to additional imposts, trusts and combines will be created, and prices increased. But if we destroy our own industries, from whom shall we have to purchase? The Australian consumer will be at the mercy of the foreign trusts, and will have to pay probably ten times more for his goods than he is paying to-day. I ask the Minister not to depend too much upon the legislation he proposes introducing, but to amend the duties. If it is desirable to increase the rates on bananas to 8s. 4d. per cental, and on onions to £6 per ton, surely it is of greater importance to protect the iron and steel industry of the Commonwealth. The iron and steel industry was of inestimable value to Australia during the war period; and now that it is developing and reaching a stage when it can meet the whole of our requirements, it is unreasonable to suggest that the protection it shall be afforded shall be governed by legislation to be introduced at a later date.

Mr. McWILLIAMS.—The honorable member voted for the increased duties to which he referred.

Mr. WATKINS.—Yes, and I am supporting increased duties on imported iron and steel.

Mr. CORSER.—But the imported bananas were produced by coloured labour.

Mr. WATKINS.—Yes, and rails manufactured in India are made by black labour.



Mr. ROBERT COOK.—The honorable member conscientiously voted for an increased duty on bananas?

Mr. WATKINS.—Yes.

Mr. ROBERT COOK.—Then, does he not think that we are acting similarly?

Mr. WATKINS.—If the members of the Country party supported higher duties on the commodities I have mentioned, and refuse to help an industry of the magnitude of the one I am endeavouring to defend, they are anything but consistent.

Mr. GREGORY.—When did the honorable member realize that this industry required fresh protection?

Mr. WATKINS.—I have always supported the establishment of such an industry in Australia.

Mr. McWILLIAMS.—Originally, the company asked for a 12½ per cent. duty.

Mr. WATKINS.—Yes. The request was very modest, and the same can be said of the one I am now submitting. The present duty, at the time of the introduction of this Tariff, was equivalent to an increase of about 22 per cent., but, commercially speaking, it is now of very little effect; whereas honorable members of the Country party asked for and received protection to the extent of 100 per cent. on other industries. In comparison with the American Tariff, the rates I suggest are very reasonable.

Mr. McWILLIAMS.—Does the honorable member wish a high Protective Tariff to have the same result here as it had in America?

Mr. WATKINS.—Honorable members know that I am not sympathetically disposed towards trusts or combinés; but I have an interest in the welfare of the people engaged in this industry and in the conditions under which they have to work. If we are to have trusts and combines, let us have them in Australia, where we can deal with them. I again ask the Minister to consider the conditions prevailing, quite apart from the question of exchange, and to realize that, although the duties in the schedule may have been effective twelve months ago, they are practically useless to-day.

Mr. McWILLIAMS.—What goods are being imported now?

Mr. WATKINS.—I have already shown that iron rods, presumably from Belgium, are coming to Australia.

Mr. GREGORY.—The consumers were asked to purchase abroad.

Mr. WATKINS.—That would not account for the whole quantity. The honorable member for Dampier (Mr. Gregory) did not speak in that strain the other evening, when he endeavoured to prove that the Broken Hill Proprietary Company could not supply our requirements.

Mr. GREGORY.—I quoted from an article which stated that consumers were requested to import their requirements for six months. I also mentioned that the Broken Hill Proprietary Company did not submit a tender for the iron and steel required in connexion with the Morwell electrification scheme.

Mr. WATKINS.—I understood the honorable member to use the argument the other night that we are not yet self-supporting in the matter of the products of this industry. I admit that during the shipping strike the Broken Hill Proprietary Company told their customers, and very fairly, I think—

Mr. GREGORY.—Yes, very fairly. I think they are a good firm.

Mr. WATKINS.—They told their customers that they could not get shipping around Australia, and advised them to buy wherever they could in the meantime. But the material required by their customers during that time did not represent more than a fraction of the imports of that material within the last few months. There are items following the one now under discussion which are related to it, and in connexion with one of those items I am in a position to inform honorable members that a tender by another Australian firm was beaten by an importing firm in one of the southern States. That was again an instance of the defeat of the Australian industry in spite of the duties imposed by this Tariff, and without any reference at all to rates of exchange. Honorable members are aware that some of the subsidiary industries established in the neighbourhood of the Newcastle works have had to close. I read a letter to-night from a firm that must shortly close. There are thousands of unemployed



walking about the streets of Sydney, and hundreds in my own electorate. These things cannot be accounted for by the operation of the rate of exchange, and I once more ask honorable members to remember that we are dealing here with a most important industry, and that increased duties are necessary to protect its interests. I trust, therefore, that they will support my amendment.

**Mr. GREGORY (Dampier) [10.3].**—I do not think that I am called upon to express any very great sympathy with the Minister for Trade and Customs (Mr. Greene); but I do say that the honorable member for Newcastle (Mr. Watkins) has not been as fair to him as he might have been in connexion with this Tariff. I cannot see that conditions in Australia in regard to foreign trade have changed during the past eight or ten years so much as has been suggested. We have had to meet far greater difficulties than at present exist. We know the demand that there was after the war for iron and steel, and that manufacturers were unable to supply the world's demands. I have said that the honorable member for Newcastle is not quite fair in his complaint that the Minister for Trade and Customs has not proposed a sufficient duty on this item. I have prepared some statistics to show what the duties now proposed represent on the basis of the imports of 1913 for the sub-items A, B, C, and D of the item now under discussion. They represent in all over £700,000, and so far as the iron and steel industry is concerned the proposal means something like £2,500,000 extra that the people of Australia would be called upon to pay, and on the top of that they must pay the profits of the retailers. I should like to know where the honorable member for Newcastle and other honorable members of the party opposite were in 1914 when the Labour party brought down the 1914 Tariff? I have that Tariff before me, and could quote from it item after item. It is sufficient to say that under that Tariff iron and steel were "free." Hoskins had been fighting a battle in New South Wales to establish the industry for years before the introduction of that Tariff, and the Broken Hill Company had established their works for some years before 1914.

**Mr. GREENE.**—There was a bounty paid on steel and iron at that time.

**Mr. GREGORY.**—I say that in 1914 the Labour party brought down a Tariff under which iron and steel were free, but as the Minister for Trade and Customs has admitted these industries went off with a spring. They had a magnificent market and a glorious opportunity. They had no competition, and should have been able to establish themselves so firmly as to be in a position to compete at least with Great Britain without the assistance of this duty. Where was the honorable member for Newcastle in 1914? Where was the honorable member for Hunter (Mr. Charlton) in that year?

**Mr. MATHEWS.**—What does this prove?

**Mr. GREGORY.**—It proves that honorable members opposite realized at that time, from the reports from the Tariff Commission, that a duty on these goods was not necessary.

**Mr. FENTON.**—Not a single line of the 1914 Tariff was discussed, and the honorable member knows that. We never had a chance to discuss it.

**Mr. GREGORY.**—I know that the 1914 Tariff was not discussed. But surely the members of the Labour party at that time had some say, not, perhaps in regard to details, but in the framing of the Tariff generally.

**Mr. MATHEWS.**—The honorable member must know that that is ridiculous.

**Mr. FENTON.**—Ask the Minister for Trade and Customs if his party decided the Tariff now under consideration.

**Mr. RICHARD FOSTER.**—The Tariff of 1914 was the Tariff of the Fisher Government.

**Mr. GREGORY.**—Yes; the Tariff of the Labour party.

**Mr. FENTON.**—We never expressed an opinion upon it.

**Mr. GREGORY.**—No; you dumbly accepted it from 1914 to 1920, and saw the industry progress under Free Trade. I have no doubt that it was brought by the Labour Minister for Trade and Customs under the consideration of the Cabinet of the day before it was submitted to the House.

**Mr. FENTON.**—Did the present Minister for Trade and Customs tell honorable members opposite what he proposed to do before he introduced this Tariff?



Mr. GREGORY.—Most decidedly not.

Mr. FENTON.—The Ministry did not know it, much less members of the Ministerial party.

Mr. GREGORY.—I am satisfied that the Minister for Trade and Customs put the Tariff before the Cabinet, and it was discussed in Cabinet. I have been advised that that is so.

Mr. GABB.—I call attention to the state of the Committee. [*Quorum formed.*]

Mr. GREGORY.—I was asking where honorable members opposite were when the Tariff of 1914 was introduced. Was there one honorable member opposite who then said a word in regard to this great industry? From 1914 up to the time of the introduction of the present Tariff, is there one honorable member on the other side who ever said that duties were needed for this industry to prosper and flourish? In the 1914 Tariff, it will be found that item after item affecting this industry covered articles that were to be admitted free.

Mr. FENTON.—I have already said that the Tariff was never discussed.

Mr. GREGORY.—I say that it was the Labour party's Tariff, brought in by a Labour Administration.

Mr. CHARLTON.—Does the honorable member think that any party in this House makes the Tariff a party question?

Mr. GREGORY.—I am not too sure of it now.

Mr. CHARLTON.—The voting on the Tariffs will show that it is not made a party question.

Mr. GREGORY.—Does the honorable member mean to tell me that the Tariff is not a Ministerial matter, or that every member of the Ministry is not a party to the Tariff introduced by that Ministry; or, further, that he has not made his amendment a party matter? In my opinion the Minister for Trade and Customs has proposed in this case more than a fair thing for the benefit of this industry. With the exception of the honorable member for Newcastle, there has been no honorable member opposite who has attempted to show that higher duties are necessary on this item.

Sir JOSEPH COOK.—There has been no request made for higher duties.

Mr. GREGORY.—It is only within the last few days that any such request has been made. It is many a year ago since

the iron and steel industry was started in this country, under practically Free Trade conditions. Let me inform honorable members that in 1907 we exported from Australia 21,060 cwt. of pig iron, at an average of £3 12s. per ton. In 1908 we exported 40,270 cwt., at £3 8s. 9d. per ton, and in each following year, up to 1914, we not only manufactured pig iron for sale in Australia, but exported it at an average rate of from £3 8s. 9d. to £3 13s. 4d. per ton.

Mr. FENTON.—What was the rate of bounty per ton in the years referred to?

Mr. GREGORY.—I am not sure; but the honorable member can say what it was if he remembers it. In 1920 we exported 19,229 tons of pig iron at an average value of £8 13s. per ton. So that we have been considerable exporters of this material. It is right that we should consider the subsidiary industries of this country. We must remember that merchants dealing in iron and steel will, in the prices they quote, add their profits to the duty, and that in every case the price of the local article will be brought right up to the cost of the imported article. The honorable member for Newcastle has spoken of a local firm losing a tender in competition with an importing firm. The other night I quoted the prices charged for steel rails. I showed that, prior to the war, the price charged for Australian steel rails was £8 16s. per ton f.o.b. at Port Augusta; and the present price is £17 15s., or an increase of over 100 per cent. on the pre-war price. I showed that the price of fish-bolts before the war was £21 6s. per ton f.o.b. Port Augusta, and the present price is £56 10s. per ton, or an increase of nearly 300 per cent.

Mr. FENTON.—What are the American prices?

Mr. GREGORY.—I have not the American prices before me. I have received several letters from manufacturers in connexion with this matter, and one in particular from a manufacturer at Ballarat, in which he points out how these duties are affecting manufacturers of oil engines. He is a manufacturer in the country, and is interested in this matter. He shows how people are being exploited under the present Tariff. He writes—

We will give pre-war prices and present prices of the raw materials used in the construction of a 6½ h.p. oil engine, the engine



which is in the greatest demand for farm purposes.

Mr. FENTON.—What duty does he want on oil engines?

Mr. LAIRD SMITH.—He wants them to be admitted free.

Mr. GREGORY.—The letter continues—

Cast iron, delivered at Ballarat, £4 to £5; present price, £13 10s. Steel channels, £12; present price, £38. Bar steel, delivered at Ballarat, £10; present price, £30. Bright shafting, £17 10s.; present price, £56. Brass tubes, 1s. 6d. per lb.; present price, 5s. 6d. per lb.

These figures show, in some cases, an increase of 300 per cent. The writer of the letter points out that on a 6½ h.p. oil engine, the weight of which is 30 cwt., the prices quoted represent a direct tax of £30. He says that the same figures and remarks apply to all farm implements manufactured in Australia, and that it must be evident that the Tariff must have a serious and detrimental effect upon the agricultural progress of Australia.

Mr. HECTOR LAMOND.—How could this Tariff raise prices by 300 per cent.?

Mr. GREGORY.—Because the markets of the Old Country are not yet supplied, and huge prices are now prevailing for almost everything required for various industries, and particularly for metals. I have quoted the prices of many of these commodities. Before the war the price of bar and rod iron was £18 10s. per ton, its maximum price was £36 per ton, and to-day it is £30 per ton. The price of fencing wire before the war was £7 10s. per ton, its maximum price was £42 per ton, and its present price is £23 per ton. I do not desire to see prices decline to their pre-war level, but they certainly must come down somewhat, because there is only a certain purchasing power in this country. When we get beyond that purchasing power, other industries cannot be successfully carried on. If we close down our primary industries, we might as well close down the whole of our secondary industries. In the matter of iron and steel products, for many years we cannot hope to become an exporting country. The Broken Hill Proprietary Company would not lay itself out to manufacture the 200 or 300 items which are required in connexion with the steel industry.

Mr. GREENE.—That difficulty can easily be overcome.

Mr. GREGORY.—Not unless the Minister is clothed with power to say that this item shall be admitted free, whilst that item shall pay a duty.

Mr. GREENE.—And that is what I intend to propose.

Mr. GREGORY.—The Committee will take care that the Minister is not clothed with that power. There is just one other matter to which I wish to direct attention. At the present time the freight upon these products amounts to £3 per ton, whilst insurance, exchange, &c., represents an additional 8s. 3d. per ton, so that already they enjoy a natural and Tariff protection varying from 58 per cent. to 100 per cent. upon their values. That is an enormous protection, and I hope that honorable members, before granting any increase in that direction, will consider these facts.

Mr. CHARLTON.—The honorable member has already said that he is not opposed to an increased duty upon the products of countries outside the Empire.

Mr. GREGORY.—I wish the duty under the British preferential Tariff to be 15s. per ton, and I am quite willing that the other duties shall remain unaltered. I fear, however, that the Minister will succeed in retaining 20s. per ton under the British preferential Tariff, and that he will then give way to honorable members opposite by sanctioning the imposition of larger duties upon foreign products. To my mind there is a grave danger that monopolies will be created in this country. The paper which I hold in my hand is a gentlemanly agreement which has been entered into between the Broken Hill Proprietary Company and the Steel Association of this country, and we appear to have already reached the stage when a Combine will control the prices at which these goods shall be sold to the community. The information which has been supplied to me is of so serious a character that the Minister should make prompt inquiries as to whether or not such an agreement is still in existence. Some means should be devised by which the duty upon these commodities can be abolished immediately it can be shown that the manufacturers have entered into an agreement

with the wholesale people for the purpose of fixing prices. It is the Minister's duty to make complete inquiries into this matter, in order that he may be in a position to advise us whether such a combination exists. If it does, it should be squelched immediately. We should do all that is in our power to prevent combinations exploiting the public.

Mr. GREENE.—A combination is not necessarily a bad thing. It is only when it becomes predatory in its action that it is bad.

Mr. GREGORY.—When the producers of these articles fix the prices at which they shall be sold by the retailer to the public, there is an element of grave danger. I shall put the papers in my possession before the Minister, and if he does not choose to take action, I shall be compelled at a later stage to make a full statement regarding this matter to the Committee.

Mr. MAHONY (Dalley) [10.23].—The Minister might well have given more consideration to the request which has been preferred by honorable members upon this side of the chamber that further assistance be granted to the iron industry. Throughout the whole of the Tariff debate, those who have really supported the honorable gentleman with the object of making the Tariff a truly Australian Tariff, have been members of the party to which I belong.

Mr. MCWILLIAMS.—A most unholy alliance.

Mr. MAHONY.—The honorable member may think so. The members whom the Minister has had to fight, and whom he will have to fight in the future, are those whom he is now endeavouring to placate.

Mr. GREENE.—I am not endeavouring to placate anybody. I am merely attempting to do what I believe to be right.

Mr. MAHONY.—We ask that a reasonable measure of protection shall be extended to the iron industry, and the Minister has refused to give our request further consideration. The honorable member for Newcastle (Mr. Watkins) and the honorable member for Hunter (Mr. Charlton) have dealt with this question very ably indeed. They have shown what will be the effect upon the industry of lower duties, and how those duties will affect the great mass of the workers who are engaged in it. This matter must not

be lightly dismissed, because the problem of unemployment, and of a reduction of wages, involving a lowering of the standard of living, is one which is confronting the entire world to-day. As a result, the workers in industries are fighting to maintain conditions which were fought for on the fields of Flanders. We desire that a certain measure of protection shall be given to the iron industry.

Sir JOSEPH COOK.—It has a certain measure of protection.

Mr. MAHONY.—But it has not a sufficient protection to enable it to maintain the present standard of wages in competition with the outside world.

Sir JOSEPH COOK.—Who says that?

Mr. MAHONY.—I do; and so, also, do the honorable member for Newcastle (Mr. Watkins) and the honorable member for Hunter (Mr. Charlton).

Sir JOSEPH COOK.—The Broken Hill Proprietary Company has never said so.

Mr. MAHONY.—Has it not?

Sir JOSEPH COOK.—No. It has not made any representations to us at all.

Mr. MAHONY.—Does the Treasurer say that the industry does not require this protection?

Sir JOSEPH COOK.—It has not said anything to us.

Mr. MAHONY.—Then, because the representatives of the industry have not approached the Government, the Treasurer assumes that they do not require further protection?

Sir JOSEPH COOK.—That is a fair inference.

Mr. MAHONY.—If the representatives of the industry approach the right honorable gentleman upon this matter, will he be prepared to give favorable consideration to their claims?

Sir JOSEPH COOK.—Not necessarily.

Mr. MAHONY.—Then what does the Treasurer's statement mean? Honorable members have had facts placed before them which go to show what will be the effect upon the industry if the amendment of the honorable member for Newcastle (Mr. Watkins) be not carried. I ask the right honorable gentleman to remember that the friends of Australian industry are the members of the Opposition. What do the members of the Corner party say? When it was a question affecting themselves, as, for example, when a duty was proposed upon onions, they exclaimed,



"Oh, yes! We will grant a duty of 100 per cent.," and the Government were prepared to placate them by imposing that duty.

Mr. McWILLIAMS.—The Country party will put the acid upon the honorable member in Balmain.

Mr. MAHONY.—I invite its members to come along and try to do so. These are the gentlemen who asked that the ham and bacon curing industry should be protected. We do not object to that. But when we urge that assistance shall be granted to establish upon a firm basis one of the greatest industries which any country can possess—the iron industry—they exclaim, "Oh, no! Pig iron must be free," because it is the other fellow that is to be benefited this time. Members of the Corner party are ready to vote for duties on lucerne and millet, on bananas and onions, on pigs and hams and bacon, and on butter; but when we ask for assistance to establish the iron industry in Australia they say that it cannot be given.

Sir JOSEPH COOK.—The iron industry is already established here.

Mr. MAHONY.—It is only in its infancy, and needs protection from the competition of the world.

Sir JOSEPH COOK.—If these increases were granted, would there be an application for higher wages?

Mr. MAHONY.—I do not know; but if the industry be not adequately protected, there must be a big slump in the wages of those it employs. We on this side are prepared to assist the Ministry in making this an Australian Tariff; but if we are turned down upon a vital proposal affecting the welfare of thousands of men, women, and children, we must seriously consider our attitude towards the Tariff. Because a blank cartridge has been fired from the cross benches, Ministers seem prepared to drop their guns and to run away.

Mr. STEWART.—I thought that there would be a split in the alliance sooner or later.

Mr. MAHONY.—There is no alliance; but members on this side desire the establishment and encouragement of Australian industries. Do we not know that when the war broke out Great Britain and the Dominions were unprepared? That being so, we should see that the same thing cannot happen again. The iron

industry is a basic one. On it all other industries are built up. To show what the effect of refusing protection to it will be in the reduction of wages, let me draw attention to what is happening in other parts of the world. According to the *Iron Age* of the 6th January last—

The Bethlehem Steel Co. has announced a reduction of wages at the South Bethlehem plant of from 10 to 20 per cent., effective 16th January. The announcement was made following a joint meeting of the company officials and representatives of the workmen under the employee representation plan in effect at the plant.

The reduction is similar to the one being made at the Lebanon plant. A 10 to 20 per cent. reduction is also announced for the Sparrows Point plant, effective on the same date. The company employs from 5,000 to 6,000 men under normal conditions.

We require adequate protection against that sort of competition. Without it the wages of our workmen must come down. The honorable member for Dampier (Mr. Gregory) has said that the present high standard cannot be maintained. Certainly it cannot be maintained if the Tariff protection is low. For a proper duty on iron and steel it is impossible to depend upon the support of honorable members of the Country party, who, in respect of items affecting themselves will vote for duties of 100 per cent., but in respect of items affecting the industrialists want no duty whatever. Their remedy for the situation is to bring down wages. They would have the industrialists accept lower wages, and their wives and children wear shoddier clothing and eat coarser food. The representatives of the workers, however, stand for adequate protection for the maintenance and building up of Australian industries. We are fighting for the maintenance of proper living conditions for the workers of Australia. We are not prepared to stand idly by while the interests of the workers are being slaughtered.

Sir JOSEPH COOK.—Are they being slaughtered now?

Mr. MAHONY.—No, but they will be if we are not careful.

Sir JOSEPH COOK.—The workers in this industry have been carrying on under the present Tariff for twelve months. Have they been slaughtered?

Mr. CHARLTON.—But wages in other countries have come down since the Tariff was submitted.

Sir JOSEPH COOK.—The Minister for Trade and Customs (Mr. Greene) has said that he will cure that trouble in another way, but the Opposition apparently will not accept his word.

Mr. MAHONY.—If the Acting Prime Minister (Sir Joseph Cook) will give reasonable consideration to our request we shall be satisfied.

Sir JOSEPH COOK.—The Opposition have been told that the Minister will take care that no harm comes to this industry.

Mr. MAHONY.—That reply is typical of the right honorable gentleman. We want something more.

Sir JOSEPH COOK.—What do you want? You are asking for a 50 per cent. increase in the duty on a raw material.

Mr. CHARLTON.—But the Government have not offered to give us even a smaller increase than that for which we ask.

Mr. MAHONY.—If the Acting Prime Minister would agree to report progress at this stage I am sure that when we met to-morrow he would see the reasonableness of the request of the Opposition. I can readily understand that it may not be the policy of the Government to accept *holus bolus* the amendment moved by the honorable member for Newcastle, but we should have an assurance that the Government are prepared to give reasonable consideration to the request for an increase.

Mr. BLUNDELL.—The Opposition are not the only members who want an increased duty.

Mr. MAHONY.—Quite so. I have been pointing out that it is men like the honorable member for Adelaide (Mr. Blundell) on the Government side of the House who are joining with us in the effort to make this a truly Australian Tariff. The only honorable members who are standing against our proposal, and to whom the Government are bending the knee, are the bitter enemies of Australian industries.

Mr. STEWART.—That is not correct.

Mr. MAHONY.—May be it is not quite correct. Honorable members of the Country party are in favour of Australian industries where their own interests are concerned, but not in favour of those conducted by others. Will the Acting Prime Minister give some consideration to this matter?

Sir JOSEPH COOK.—Honorable members opposite know nothing of consideration. They have been trying to bludgeon us; they have been threatening us for nearly a week over this one item.

Mr. MAHONY.—Give some reasonable consideration to our representations and we shall be satisfied. If the Acting Prime Minister is not prepared to do that I shall have to proceed with my quotation of figures showing how wages have fallen in England and the immediate danger threatening our own workers.

Sir JOSEPH COOK.—The inference to be drawn from what the honorable member is saying is that as wages fall in England and America the cost of production there will be cheaper. May I point out to him that as that takes place the protection for which the Tariff now provides will automatically increase?

Mr. MAHONY.—How does the honorable member make that out?

Sir JOSEPH COOK.—Because it is a fixed duty, and a fixed duty on a low rate abroad is very much higher than a fixed duty on a high rate.

Mr. MAHONY.—The honorable member is putting his point very nicely, but that is not fixing the price—

Sir JOSEPH COOK.—I am putting the facts.

Mr. MAHONY.—And I am putting the facts as they affect this country.

Sir JOSEPH COOK.—As the prices of these materials come down abroad so the protection automatically increases.

Mr. MAHONY.—I point out that there is a world-wide conspiracy to reduce the wages of the workers.

Sir JOSEPH COOK.—Nothing of the kind.

Mr. MAHONY.—Undoubtedly there is, and we see instances of it in other parts of the world. It is our duty to protect Australia from that sort of thing, and to see that industries are established on such a sound basis that we can maintain our present decent standard of living. I understand there are other honorable members on this side who desire to address themselves to this question, and I shall defer the figures in proof of what I have said until a later hour. If Australia is ever to take its place amongst the nations of the world, the one industry



which must be built up is that of iron and steel.

Sir JOSEPH COOK.—I entirely agree with the honorable member; the iron and steel industry has been, and is being, built up.

Mr. MAHONY.—To that end, there must be adequate protection. To-day, prices are rapidly falling.

Sir JOSEPH COOK.—The people who know most about the industry have never, I repeat, asked the Government for any increased duties.

Mr. MAHONY.—If the representatives of this industry approach the Government and ask for increased protection, will the right honorable gentleman give consideration to their request?

Sir JOSEPH COOK.—Oh, that is easy!

Mr. MAHONY.—“Yes” or “no”—will you, or will you not?

Sir JOSEPH COOK.—I have already replied to that very silly question.

Mr. MAHONY.—There might be some little sense in my question, but there is absolutely no sense in the right honorable gentleman's reply.

Mr. BLUNDELL (Adelaide) [10.56].—The Treasurer must realize that honorable members have been travelling all night. I am desirous to present my views on the question before us, and I think it would be only fair if progress were reported now.

Sir JOSEPH COOK.—I do not wish to sit late, but the honorable member must realize that when we have debated a single item for a week, the Committee ought to be ready to make up its mind.

Mr. BLUNDELL.—There has never yet been such rapid progress made with a Tariff as on the present occasion, and the item before us involves great interests. Apparently, there are members of this Chamber who are Protectionists so far as their own industries are concerned, but Free Traders in regard to all other industries. They are prepared to say that, because they have to compete with Japanese labour, they must be given 50 per cent. increases on particular duties, and the item of millet presents a case in point. Those members of the Country party have not hesitated to add 50 and 100 per cent. to duties in the case of industries with which they are themselves concerned; but the moment we have be-

fore us an item which concerns the workers in the cities and towns, they oppose any attempt at effective protection. The position these honorable members take up is, in my opinion, most inconsistent. One member of the Country party has argued that an increase in the duty before us is not justified, because primary producers will “have to pay,” meaning thereby that any burden created by increased protection in secondary industries falls wholly and solely on their backs. They take up the position that they are the one section in the community who ought to be considered. I realize that the primary producers are absolutely essential, but so are those engaged in the great secondary industries of our cities and suburbs; both branches of industrial enterprise require all the protection and assistance that can be given to them. As a matter of fact, the primary producers are not the majority of the population of this country. Do honorable members realize what the industries with which we are dealing at present have to put up with, and what competition they have to face? We are trying to build up big industries here in competition with countries that have had similar undertakings established for years and years.

Sir JOSEPH COOK.—May I suggest that that also is the aim of the overwhelming majority of this Parliament? Will the honorable member devote himself to the real point at issue?

Mr. BLUNDELL.—Judging by the speeches we have heard to-night, I do not think it is the overwhelming opinion of this Parliament. Certain members have been very anxious to vote for other increases where there might have been some doubt as to whether they were justified, but no one raised a question about them.

Mr. GREGORY.—Yes, they did.

Mr. BLUNDELL.—The honorable member for Dampier (Mr. Gregory) stands out as the one shining exception. In the case of some of the increases that were made honorable members did not even call for a division. As one who is going to support the amendment, I suggest to the Government that it is reasonable to report progress now.

Sir JOSEPH COOK.—I am perfectly willing to allow the whole of to-morrow for this item, if we can take a vote at the

end of the day. But this is a hold-up, because those who support the amendment say that unless they can get what they want they will "stone-wall" the item.

Mr. BLUNDELL.—So far as I am concerned, I am willing that a vote should be taken some time to-morrow, but I cannot answer for others.

Mr. CHARLTON.—We suggested last Thursday that the debate on this item shall be adjourned for a week, and that in the meantime other items should be gone on with, while the Government were considering whether they could not give us something better.

Mr. BLUNDELL.—The whole argument put up by the Corner party this evening, with the exception of the honorable member for Dampier (Mr. Gregory), to whom we must give credit for largely opposing these things on principle—

Sir JOSEPH COOK.—The most unfortunate thing about this argument is that it has developed into a duel between the Corner party and some of the members of the Opposition.

Mr. BLUNDELL.—It is essential to realize that the iron and steel industry is different from any with which we have dealt up to the present.

Sir JOSEPH COOK.—I think we had better agree to the adjournment.

Progress reported.

## ADJOURNMENT.

### CONSIDERATION OF TARIFF—REPATRIATION DEPARTMENT: TREATMENT OF RETURNED SOLDIERS.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [11.6].—In moving—

That the House do now adjourn,

I appeal to honorable members to come to a vote on the item of pig iron to-morrow. If we cannot get a vote to-morrow night at a reasonable hour, I hope honorable members will make up their minds to sit a little late. We have been over a week on the one item. No one can say that it has not been threshed out thoroughly, or that reasonable time has not been given to its consideration.

Mr. GABB.—Hear, hear! and we all have our minds made up.

Sir JOSEPH COOK.—I think so. I do not know why the matter is being held

up in this way. I sincerely hope that we may take a vote to-morrow at a reasonable hour.

Mr. RYAN (West Sydney) [11.8].—The Acting Prime Minister (Sir Joseph Cook) is too old a parliamentarian not to know that there is a determination on the part of the Committee to get at least some kind of a compromise during the debate on the item. That desire does not arise from any wish to hold up the House or the Government. The Minister for Trade and Customs (Mr. Greene) suggested this afternoon that the matter might again be raised on the general Tariff. May I urge on him and the Acting Prime Minister that, if they would consider what position they are going to take up on the general Tariff, and give an intimation to the Committee, it might help to facilitate the passage of the item?

Sir JOSEPH COOK.—The Government have given it more consideration than any other item in the Tariff.

Mr. RYAN.—But the Minister has given no intimation of what attitude he is likely to take up if the question is again raised on the general Tariff.

Sir JOSEPH COOK.—What does the honorable member mean?

Mr. RYAN.—The Minister for Trade and Customs has suggested that if the matter is allowed to go to a division now, the question can again be raised on the general Tariff. I urge this upon the consideration of the Government, with the intention of facilitating the passage of this and kindred items. We have had a long debate, and I admit that there has been a tremendous amount of irrelevant talk upon the subject. I admit, also, that the Minister has stated the issue clearly enough—that it is a question of whether the Tariff is adequate—but the Minister has not given any definite intimation of the attitude of the Government if this subject is taken up on the general Tariff. If the Minister seriously intends, and I gather that he does, to consider raising the general Tariff, the sooner we know it the better, because I am sure the business will be much facilitated.

Mr. CHARLTON (Hunter) [11.11].—Even at this late hour, I desire to bring before the Government the case of a returned soldier. He states in a letter to me that as a miner before the war he



was receiving a wage of £1 2s. 6d., and since his return he has been getting 16s. 6d., the lowest wage paid to a miner. In addition to bad legs, due to trench fever, he has had two or three weeks off, and is not likely to work again. He has received a letter from the Repatriation Department informing him that his pension has been cancelled, and, on top of that, he has been notified by the War Service Homes Department that unless he pays £27 19s. 4d., representing eight months' instalments in respect of the property which he is occupying, he must quit the premises. This man has a family of six children, and is not likely to work again this winter. His position is a very serious one indeed, and I trust that something will be done for him. We are constantly bringing cases of this sort under the notice of the Minister.

Question resolved in the affirmative.

House adjourned at 11.14 p.m.

## House of Representatives.

Wednesday, 8 June, 1921.

MR. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 2.30 p.m., and read prayers.

### COMMONWEALTH NOTE ISSUE.

MR. BAMFORD.—I ask the Treasurer if the statement which appeared in a leader in the *Melbourne Age* of the 4th June inst., to the effect that since the beginning of the war the note issue has increased from four to five-fold, and that its redundancy is shown by the price of gold, is correct?

SIR JOSEPH COOK.—I have already answered that question in another connexion, but it appears useless to reply to statements published in the *Age*. Next morning they are repeated, no matter how absolutely they may have been refuted. The facts are that there is a world-inflation of currency, and that it is the duty of every Government to try to reduce this inflation in every possible way; but to

suggest that our note-issue has raised the price of gold to its present figure shows either pure ignorance on the part of the man who does so, or wilful, deliberate, and complete misrepresentation. The price of gold to-day is determined by the exchanges of the world, and it is complicated also by the inflation of the currencies of the world. Apparently the *Age* does not wish to hear anything reflecting favorably on Australia. It flouts any statement that tells for Australia. Our note-issue has continued steady since the Armistice, while the currency of every other country in the world has increased; in some cases by nearly 100 per cent.

### NEW COMMONWEALTH PEACE LOAN.

MR. HIGGS.—Is the rumour which has been published in the press, that it is intended to raise another Commonwealth Peace Loan, based on fact? If so, is the loan intended to meet commitments of the present financial year, or post-war obligations in the new financial year?

SIR JOSEPH COOK.—As the press already has an inkling of what is afoot, I may as well tell the honorable member that another loan—one of very moderate dimensions—is in contemplation. It is to be a "digger's" loan, and purely for "digger" purposes.

MR. FENTON.—For how much?

SIR JOSEPH COOK.—That has not yet been determined.

MR. FENTON.—The sum of £15,000,000 has been mentioned in the press.

SIR JOSEPH COOK.—The amount has not been fixed upon.

MR. WEST.—Is the money to be raised in Australia or abroad?

SIR JOSEPH COOK.—The loan will be an Australian one; for the purposes of repatriation, and for nothing else.

### COMMONWEALTH TREASURY BILLS.

MR. RICHARD FOSTER.—Is it true that the Government has placed £2,000,000 of Commonwealth Treasury Bills at 5½ per cent. on the market in London, and, if so, for what purpose?

Sir JOSEPH COOK.—It is true. I greatly regret that we have been compelled to place Treasury Bills on the London market instead of a small loan. The money is needed in London, largely because of exchange difficulties. It is to complete the payments for the sugar purchases that we have been compelled to make owing to the loss of our crop. It will all be repaid shortly as the sugar is sold, and will then be available for other purposes.

#### PUBLIC SERVANTS' WAGES.

Mr. MATHEWS.—Is there any truth in the rumour that Mr. Knight, the President of the Taxpayers' Association, has suggested to the Treasurer that, with a view to economizing and squaring the public ledger, we should reduce the wages of our public servants to 8s. per diem?

Sir JOSEPH COOK.—I have received no such suggestion. I understand that Mr. Knight is to see me this afternoon, and, no doubt, I shall hear then what he has to say.

#### WAR PENSIONS.

Mr. CHARLTON.—I ask the Minister representing the Minister for Repatriation if he will be prepared to appoint independent doctors, outside the Service, to re-examine returned soldiers whose pensions have been cancelled or reduced on the ground that they are no longer suffering from injuries due to war service, or that their injuries have become slighter, with a view to determining whether the action that has been taken is justified?

Mr. RODGERS.—When the honorable member moved the adjournment of the House some time ago to discuss the administration of war pensions, the proposal found favour with several honorable members. I am not sure whether it originated with him or with the honorable member for Kalgoorlie (Mr. Foley). I submitted to the Commissioners the recommendation that on the Boards of Review for the various States civil medical officers should be appointed. The Commissioners have not, so far, accepted the recommendation.

Mr. CHARLTON.—No; but they are cancelling pensions every day.

Mr. RODGERS.—I shall see my colleague (Senator Millen), who is now administering the Pensions Branch, and

renew the request to him, and I shall advise the honorable member to-morrow of the result.

#### IMPERIAL CONFERENCE.

Mr. WEST.—It is stated that the Prime Minister (Mr. Hughes) has, in an interview in England, referred to the Imperial Conference, which he left to attend, as a Cabinet gathering. There is a difference between a Conference and a Cabinet, and I ask the Acting Prime Minister, therefore, whether on behalf of the Government and the Parliament the right honorable gentleman will inform the Prime Minister that he left Australia to attend a Conference of Prime Ministers, and that the work of that Conference must be submitted to the Parliaments of the various Dominions for indorsement?

Sir JOSEPH COOK.—I do not see the need for wasting money in cabling such a statement. The proposed gathering will be, as I understand it, both a Cabinet and a Conference. The Dominions have been taken into the Cabinet Councils of the Imperial Government.

Mr. MATHEWS.—What power will it have over our local Government?

Sir JOSEPH COOK.—None whatever, nor will it attempt to take any such power. So far as I know, it does not intend to do so. But the question is: "Should we deny ourselves the privilege of being taken into consultation regarding all the tremendous issues which are arising throughout the world?" Are we to stand outside when they say "Come in"? I hope not.

#### CONVEYANCE OF COUNTRY MAILS.

Mr. ROBERT COOK.—In view of the curtailment of country train services, which has inflicted very great hardship upon quite a number of country towns in respect of the delivery of mails, I ask the Postmaster-General what action is he taking in the matter?

Mr. WISE.—As soon as I saw that the Victorian Railways Commissioners were practising economy in the railway services to country districts, I instructed the Acting Secretary of my Department to get into touch with them in regard to



the matter of the conveyance of our mails upon those days upon which the Commissioners are not now running trains. He did so, and a conference is now taking place between officers of that Department and officers of the Postal Department. As soon as a decision upon the subject has been arrived at I shall inform honorable members of it.

### COMMONWEALTH REPRESENTATION IN LONDON.

Mr. FENTON.—I ask the Acting Prime Minister whether the Government have considered, and if so, whether they have arrived at any decision upon the question of the desirableness of having a Minister representing the Commonwealth in London and also a High Commissioner at the same time?

Sir JOSEPH COOK.—At no time have the Cabinet considered that matter, nor have they considered the question—which I see has gone the round of all the States and information concerning which has been telegraphed far beyond them—of the future pay and emoluments of the High Commissioner. None of these things has ever been considered by Cabinet.

Mr. WEST.—Then the press are liars.

Mr. FENTON.—I ask the Acting Prime Minister whether the Government, prior to the appointment of a new High Commissioner, will consult the various States with a view to arriving at an arrangement whereby considerable sums of money may be saved by having Australia properly represented upon the other side of the world, not by six Agents-General, but by one officer and one good representative?

Sir JOSEPH COOK.—I suggest to my honorable friend that he should address the State Governments in that connexion. It is no part of our functions to ask the States to surrender their own powers.

Mr. FENTON.—Why not?

Sir JOSEPH COOK.—Because we have no right to do so.

Mr. FENTON.—We are all one set of taxpayers.

Sir JOSEPH COOK.—I agree with the honorable member's statement, but I

suggest to him that the States are just as jealous of their own prerogatives under the Constitution as we are of ours.

### FEDERAL CAPITAL—HOSTEL AND CONVENTION HALL—LAND SETTLEMENT.

Mr. BLAKELEY.—I ask the Minister for Works and Railways whether it is a fact that the plans of the hostel and Convention hall at Canberra have been received by him, and, if so, whether he will be good enough to make a statement regarding his intentions in respect of them?

Mr. GROOM.—It is a fact that a report and sketch designs have been submitted and received by me. These are now under the consideration of the Cabinet.

Mr. BOWDEN.—I ask the Minister for Works and Railways whether the Cabinet has yet considered its policy of land settlement in the Federal Capital area, particularly in regard to making lands available for settlers who want them?

Mr. GROOM.—That is a matter which comes within the domain of the Minister for Home and Territories, and I know that he has it under consideration.

### EXPEDITION TO NEW GUINEA.

Mr. WEST.—I ask the Acting Prime Minister whether he has received any information regarding the whereabouts of the expedition which was despatched to New Guinea some time ago.

Sir JOSEPH COOK.—Nothing fresh. All I know is that a definite communication has been sent to the Administrator, informing him that the Committee of Experts which is inquiring into matters there must not exceed the sum already determined upon, which is a very moderate sum, and not anything like the amount mentioned in the statements which are constantly being made concerning it.

### SOLDIER SETTLEMENT IN NEW SOUTH WALES.

Mr. HECTOR LAMOND.—I ask the Minister representing the Minister for Repatriation whether he can throw any light upon a communication which has been received from the Lands Department of New South Wales to the effect that a soldier's application for land has

been refused in accordance with the Minister's decision not to accept any application lodged after 3rd July, 1920?

Mr. RODGERS.—I know of no good reason why the application of any soldier for land in any of the States should not be dealt with at the present time, and—should he be an eligible applicant—approved. With regard to the financial relationship between the Commonwealth and States, which very much governs the question of land settlement, the Commonwealth provided during the present financial year £16,000,000 for soldier land settlement. The New South Wales share of that amount was £4,000,000. Parliament approved of £4,000,000 being appropriated for this purpose in New South Wales. In addition, the Treasurer has made available a further sum of £250,000 to expedite land settlement in that State, so that I know of no reason why soldier settlement cannot proceed there.

#### NATURALIZATION OF GERMANS.

Mr. GABB asked the Minister for Home and Territories, *upon notice*—

1. Whether applications by persons of German origin for certificates of naturalization were held up over the reparations difficulty?

2. If so, are they still so held up?

3. If so, seeing that the reparation question is settled, when will the embargo be removed?

Mr. WISE (for Mr. POYNTON).—The answers to the honorable member's questions are:—

1. Yes.

2. Yes.

3. The matter is now under consideration.

#### SHERWOOD GOVERNMENT RESERVE.

Mr. BAYLEY asked the Minister representing the Minister for Defence, *upon notice*—

Whether the Government Reserve, at Sherwood, locally known as the Old Powder Reserve, has been handed back to the Defence Department by the War Service Homes Commissioner?

Sir GRANVILLE RYRIE. — The property in question, which has ceased to be a Defence property, has not at any time been under the control of the War

Service Homes Commission. It is at present being used by the Institute of Science and Industry for experimental purposes in connexion with investigations of the prickly pear pest.

#### BUTTER MARKET IN AMERICA AND THE EAST.

Mr. WATKINS (for Mr. RYAN) asked the Minister for Trade and Customs, *upon notice*—

1. Whether the Trade Commissioner in America and in the East could not inquire into the prospects of a butter market in those places?

2. Whether that information could not be made available direct to the co-operative butter factories, seeing that it is estimated that nearly 90 per cent. of Australian butter is manufactured by co-operative factories?

Mr. GREENE.—The answers to the honorable member's questions are as follow:—

1. Yes. The principal reason for appointing the Trade Commissioners was that they might obtain first-hand this and similar information with the object of extending Australian trade in the places mentioned, but if the butter factories or any other producers or manufacturers inform us as to any special inquiries in connexion with trade opportunities they wish made through our Trade Commissioners, we shall be very pleased to instruct our representatives accordingly.

2. In each instance received will be made available to the respective traders concerned.

#### CASE OF MR. DEHLE.

Sir GRANVILLE RYRIE.—With reference to the request of the honorable member for West Sydney (Mr. Ryan) that the papers relating to the internment of Mr. Gus Dehle be laid on the table of the Library, I have given consideration to the matter and do not consider that it is in the interests of the Commonwealth that papers of this nature should be made public.

#### TARIFF.

*In Committee of Ways and Means:*

Consideration resumed from 7th June (*vide* page 8874).

#### DIVISION VI.—METALS AND MACHINERY.\*

\*Motive power, engine combinations, and power connexions are dutiable under their respective headings when not integral parts of machines, machinery, or machine tools.



## Item 136—

## Iron and Steel—

	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
(A) Pig Iron .. .. . per ton	20s.	30s.	40s.
(B) Ingots, Blooms, Slabs, Billets, Puddled Bars and Loops, or like crude manufactures, less finished than Iron or Steel Bars, but more advanced than Pig Iron (except castings) .. .. . per ton	32s.	52s.	65s.
(C) Bar, Rod, Angle, Tee; Bars of fancy pattern in the state in which they leave the rollers .. per ton	44s.	65s.	80s.
(D) Plate and Sheet (Plain)—			
(1) up to and including one-sixteenth of an inch in thickness .. .. . ad val.	Free	5 per cent.	10 per cent.
And on and after 1st January, 1922 .. per ton	65s.	82s. 6d.	100s.
(2) exceeding one-sixteenth of an inch in thick- ness .. .. . ad val.	Free	5 per cent.	10 per cent.
And on and after 1st January, 1921 .. per ton	48s.	68s.	85s.
(E) Wire .. .. . per ton	52s.	72s. 6d.	90s.
(F) Hoop .. .. . ad val.	Free	5 per cent.	10 per cent.
And on and after 1st January, 1921 .. per ton	70s.	90s.	95s.

Upon which Mr. WATKINS had moved, by way of amendment—

That the following words be added to sub-item A:—"and on and after 9th June, 1921, per ton, British, 30s.; intermediate, 45s.; general, 60s."

**Mr. BLUNDELL** (Adelaide) [2.50].—

In discussing this item to-day we may well put aside extreme considerations that have really nothing to do with the subject before us, and proceed to deal with it solely from the point of view of the merits of the proposal to increase the duty. It will not be denied that the enterprise to which the item relates is the key industry of every secondary industry in Australia. It is not only desirable, but absolutely necessary that it should be established firmly on such a basis that it cannot be successfully attacked by those outside Australia, who may have designs, not only upon it, but upon various other Australian industries. I want the Committee to realize that this industry is faced, not with the ordinary competition of countries producing similar material, but with a form of competition which to my mind calls for some adjustment of the duties if we are to put it upon a proper footing. Here we have an industry that is attacked, not merely by a combination of manufacturers who have exploited the markets of their own country, and are able to turn their attention to the exploitation of the Austra-

lian market, but one which, in addition, has behind it an immense capital and a highly systematized business, and has enjoyed all the benefits of a highly protective Tariff in its own country, together with the advantages which naturally follow from production in a country possessing so large a population as does the United States of America. In its endeavour to exploit the markets of Australia and other parts of the world, this combination has behind it the entire approval of the Government of the United States of America. I need scarcely remind honorable members that in 1918 Congress passed what is known as the Webb Act, which encourages combinations of manufacturers, traders, and shippers to exploit Australia and other markets. Under that Act the whole power and strength of the Government of the United States of America is thrown behind combinations for such a purpose, and encourages them to do in other countries that which they would not be permitted to do in their home market. In my opinion, it is one of the most immoral pieces of legislation ever passed by any Legislature.

We are now endeavouring to establish this, the key industry of all our secondary industries, and we find it face to face with the competition of a combination of Government, manufacturers, traders,

and shippers designed to exploit our own and other markets. In considering what duties shall be proposed in respect of this item, we cannot view lightly that sort of competition. It has been said by some honorable members that the Broken Hill Proprietary Company in connexion with its iron and steel works has already established in Australia a monopoly and has exercised an influence over subsidiary manufacturing. It has been said that the Broken Hill Company have endeavoured to control the selling prices of other manufacturers, and has sought to hold a controlling influence over them. Accepting that statement as being perfectly true, the fact remains, as has been said again and again, that if we had absolute Free Trade we should be dealing very largely with combinations formed in other countries, and possessing there a far greater influence than could be exercised in Australia by our local steel works. Under Free Trade conditions we should be doing business with foreign combinations over which we should have no control or check. We should not be able by taxation and other means to get anything out of them. Thus, because of a desire to avoid the creation of anything in the nature of a monopoly here we should have this key industry crushed by foreign combinations. If we have to deal with combines it is better that they should be here in Australia spending their money in the development of our own resources, and capable of being controlled by us rather than that they should be foreign monopolies over which we could exercise no check. The Minister for Trade and Customs (Mr. Greene) has promised to bring in a Bill for the appointment of a Tariff Board, which will be able to deal with all such matters. With the passing of that legislation we shall have power to check and control any iron and steel combine in Australia, should it become injurious in its effects.

Mr. GREGORY.—It might become so strong that members would not want to touch it. That has happened elsewhere.

Mr. BLUNDELL.—I do not think that is likely to happen here. On the whole, the public men of Australia have shown themselves to be thoroughly honest, and we have nothing whatever to be ashamed of in so far as their conduct of public

affairs is concerned. Without any alteration of the Constitution it will be possible for us to control the operations of this Combine should it become injurious to Australia. All Trusts and Combines, however, are not injurious. A Trust very often can be of great advantage to a community, and especially to the particular industries which it is controlling.

Some honorable members feel that the increased duty proposed by the honorable member for Newcastle (Mr. Watkins) is somewhat excessive, and that it involves an unnecessary increase of the duty in respect of imports from Great Britain. I agree that if any trade is to be done outside Australia it should, as far as possible, be with the United Kingdom; and to that end I would encourage British trade in every way. But, at the same time, our first duty is to develop our own resources, even if we have to impose duties that may press hardly on trade, so far as Great Britain is concerned. One of our great needs is to attract population to this country; no one will deny that that is one of our greatest essentials. There is not one State of the Commonwealth that could not, without any trouble, absorb our present population of 5,000,000 within its own borders; and one of the means of encouraging population is to build up our primary and secondary industries, the success of both of which is necessary to our welfare. Cannot the Minister (Mr. Greene) see his way to meet the situation that has arisen? There seems to be a strong demand on all sides for an increase in the protection afforded, though there are honorable members who regard the present duties as sufficient.

Mr. FOLEY.—How about reducing the British duty?

Mr. BLUNDELL.—I was about to suggest, on the other hand, that there might be a slight increase in the British duty, with an increase of 25s. in the general Tariff, making it 65s. instead of 40s. If that suggestion were accepted, I think it would dispose of a good deal of the opposition to increased duties. The American competition is a very serious menace to our industry, quite apart from the exchange difficulty. It seems unfair to select this particular industry, and in view of the exchange difficulty propose to give redress by means



of special legislation. That has not been proposed in reference to other duties, where exchange and other disabilities arise. We have to consider all the facts, and realize that the competition from America is not ordinary, but exceptional, deliberately designed to capture our market at any price. To that end manufacturers are encouraged in the United States of America to take steps which are punishable by law in that country if taken in reference to their local market. When taken with the object of exploiting our market, such steps are approved by the United States of America Legislature. Under the circumstances, America ought to be called upon to face increased duties, and the Australian industry made to feel that it is sure of a reasonable amount of protection. I think the compromise I have suggested, or some proposal in that direction, would meet the wishes of the Committee generally. We all desire this industry to be firmly established here, and we only differ as to the amount of protection that is necessary.

Mr. FOLEY.—I should agree with the honorable member if he consented to reduce the British duty.

Mr. BLUNDELL.—While I desire to encourage trade with Britain, I hold that our first duty is to our own industry. No doubt, whatever preference we give should be to the United Kingdom; and I hope that the Minister will agree to an amendment in the direction I have suggested.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [3.6].—I hope the Committee will make up its mind to come to a vote as soon as possible. Much cannot be added to what has been already said in the elucidation of this complex and difficult subject. I should like to say, however, that this industry is not suffering.

Mr. WATKINS.—It has lost two contracts.

Sir JOSEPH COOK.—Every industry must lose contracts occasionally if there is to be healthy, sane, and reasonable competition. Whatever duties we impose, we must be careful not to take any industry out of the region of reasonable competition, for otherwise it becomes an overwhelming, overpowering monopoly, setting out to make what charges and

impositions it chooses and so fleece the public. The purpose of a protective duty is, I take it, to regulate competition, so as to make it fair; but once we destroy competition we set up a monopoly. I have yet to learn that my friends opposite, or indeed my friends behind me, seek to do that.

Mr. FENTON.—The Minister for Trade and Customs has told us that he intends to introduce legislation to prevent the exploitation of the public.

Sir JOSEPH COOK.—We have been trying to do that for many years, but with imperfect success. I suggest that the best guarantee against the exploitation of the public is to put the duties on a reasonable protective basis, so as to preserve reasonable competition between our people here and people overseas. The moment that basis of reasonable competition is destroyed the efficiency of an industry itself is threatened and its undoing commenced.

I remind honorable members once more that this is a key industry, and the Government will take all sorts of good care that none of the calamities which are predicted shall occur. It is within our power to see that they do not occur; and that the Minister for Trade and Customs is bent on doing. But honorable members opposite seem to think that nothing can be done but to throw around the industry a prohibitive wall of duty. That would be easy to do if this were not a key industry, and the duties imposed did not condition and determine other duties in the case of industries which in their very nature are not so much key industries. Honorable members misconceive this duty if they regard it as standing by itself; the finished product of these iron and steel works is the raw material of many classes of manufacture. I have yet to learn that in any scientific system of Protection it is our place and function to impose prohibitive duties on raw material.

Mr. GREGORY.—You are getting into your old form.

Mr. FENTON.—No wonder "the Corner" rejoices.

Sir JOSEPH COOK.—The members in the corner, and particularly the honorable member for Dampier (Mr.

Gregory), are as bad as the honorable member for Maribyrnong (Mr. Fenton) and those with him. We have to keep between the extremists on either side, and steer the middle course, which is nearly always, in this world, the right course. Honorable members do not approach the matter in a proper spirit unless they get it clearly into their minds that this is a basic industry—an industry for the production of raw material. They must, therefore, consider this item in connexion with all the other duties that follow it. It determines the protective conditions of the whole division which comes after.

Mr. FENTON.—Is not a steel rail a completed article when it leaves the Newcastle works?

Sir JOSEPH COOK.—Of course, it is completed. But this item does not deal with rails only; it relates to pig iron and blooms.

Mr. FENTON.—There is a lot of completed work turned out there also.

Sir JOSEPH COOK.—The item covers many things which are, in their very essence, raw material for the purposes of manufacture. These works are also big enough in themselves, and are to-day using up all their own raw material, so that what benefit they do not get in the shape of a duty on pig iron they get, as they mould and manufacture the articles which rest upon this prime basis.

Mr. CHARLTON.—As a matter of fact, the Newcastle Nail Works, which forms one of the subsidiary industries, cannot work, because they are not sufficiently protected. They have been idle for two months now.

Sir JOSEPH COOK.—I shall come to that in a moment. I shall not omit anything so far as I can get all the facts out. I want honorable members to make their minds up when they are in possession of all the facts, and the first fact I am stressing now is that this is a raw material of manufacture, and, therefore, on any principle of scientific Protection that raw material must be kept at a reasonable rate. The duty on it must not be such as to make it impossible to manufacture all the varied implements and other articles resting upon it as a basis.

Mr. CHARLTON.—And that reasonable rate must be sufficient to enable the industry producing the raw material to be carried on.

Sir JOSEPH COOK.—I entirely agree that it must be such a rate as will preserve this key industry.

Mr. FENTON.—That is all that we want; but we think that the rate the Government propose is not sufficient to do it.

Sir JOSEPH COOK.—There are many ways in which it can be done. First of all, you can secure your raw material at a reasonable rate; you can guarantee the perpetuity of the industry along lines which will secure it from undue and unfair competition from abroad—

Mr. CHARLTON.—How can you secure raw material at a reasonable rate if you allow stuff to be imported cheaper than they can manufacture it here?

Sir JOSEPH COOK.—The Minister for Trade and Customs has given the honorable member a definite undertaking that he will not permit that stuff to come in so as to injure this industry. That is fact No. 1.

Mr. CHARLTON.—He has given us no such undertaking so far as Great Britain is concerned.

Sir JOSEPH COOK.—The Minister has given the honorable member that undertaking so far as any nation is concerned, and Great Britain is in much the same case as other nations regarding this matter. The honorable member knows, because he has a clear head on his shoulders, that it is all a matter of exchange at the moment.

Mr. CHARLTON.—Not in regard to Great Britain.

Sir JOSEPH COOK.—Yes, regarding Great Britain, too.

Mr. WATKINS.—Does not the question of exchange affect every other item in this Tariff?

Sir JOSEPH COOK.—Of course.

Mr. WATKINS.—Then why single this one out?

Sir JOSEPH COOK.—It is not singled out. The exchange trouble is going to be corrected. All this trouble arises to-day because, with ten shillings of our money, twenty shillings' worth of iron can be purchased in Belgium.

Dr. MALONEY.—More than that.

Sir JOSEPH COOK.—A little more, perhaps; but the Minister has told honorable members that he will correct the trouble in such a way as to prevent the possibility of unfair competition arising



from that factor. What more do honorable members want, unless they desire to insure that there shall be no competition in this industry—that it shall be surrounded by a wall so high that nothing can come in on any terms?

Mr. STEWART.—That is what some of them really want.

Sir JOSEPH COOK.—I venture to say that any protection of that kind would very soon defeat itself. I remind honorable members, also, that we are dealing with these duties at a time when everything is inflated, and everything is up throughout the world. It will be a sorry case for the world as a whole if there is not to be some easement in prices at some time or other. My honorable friends opposite want prices down in relation to almost everything else.

Mr. CHARLTON.—Exactly, and we claim that this duty will not raise them, while, at the same time, it will find work for our own people, and keep wages going.

Sir JOSEPH COOK.—As prices come down in the world, so this protection automatically increases. That is the very nature of a fixed duty. A duty of £1 on an article is automatically doubled when the price of the article falls from £50 to £25.

Mr. CHARLTON.—With the falling off of wages in the Old Country, and the lowered cost of manufacture—

Sir JOSEPH COOK.—I am not talking about wages, and the honorable member will not be allowed to put me in that position. I am talking about prices.

Mr. CHARLTON.—Prices and wages go hand in hand; you cannot separate them.

Sir JOSEPH COOK.—Then, coming on to the honorable member's own ground, will he tell me how much worse off a workman is if he has a 25 per cent. decrease in wages and a corresponding amount is added to the value of those wages?

Mr. FENTON.—But they are able to manufacture cheaper, and compete more successfully with our people who have a higher wage.

Sir JOSEPH COOK.—As people in other countries become able to manufacture more cheaply, this duty automatically increases.

Mr. CHARLTON.—In consequence of wages and raw material becoming much cheaper in Great Britain and elsewhere,

if there is not a substantial Protective duty here, they will be able to import here much cheaper than we can manufacture. In order to meet that position, down come wages here.

Sir JOSEPH COOK.—I tell the honorable member, in answer to that interjection, that, as these prices come down at Home, the rate of the duty automatically increases.

Mr. MATHEWS.—It does theoretically, but not in fact. That is a good old Free Trade argument.

Sir JOSEPH COOK.—May I remind honorable members that this is not the first time we have had a discussion in this House on fixed duties. I have seen many a pitched battle on this question. If the honorable member opposite will look at some of the fixed duties in this schedule he will find them mounting up to 100 and 150 per cent. on the cheap kind of caps manufactured in this country.

Mr. FENTON.—But we never discussed a Tariff before in a world like this.

Sir JOSEPH COOK.—That is quite true, and here we are offering fixed duties to provide for the emergencies of which the honorable member is speaking. The world is upside down economically and otherwise, but I say, no matter what occurs outside to bring down the value of imports, these fixed duties will provide ample protection.

Mr. MATHEWS.—I have heard that argument in this House before. It was always foolish.

Sir JOSEPH COOK.—This duty is a peculiar one. It is of no use to argue with reference to it as one would argue concerning the duty on onions, canary seed, bananas, and other products. It has no necessary relation to any other such duties. This is the basic, or foundation, industry of other industrial enterprises. That is the vital difference, and if by fixing the Tariff at a moderate rate we can preserve the industry, then everything that honorable members are seeking to accomplish will be accomplished. The Minister for Trade and Customs has given a guarantee that he will correct the exchange difficulty which is causing all the trouble to-day, so the industry will then be able to compete quite easily with other similar enterprises outside.

Mr. CHARLTON.—We do not admit that.

Sir JOSEPH COOK.—It is so patent that I think everybody must agree absolutely with what I am saying.

Mr. CHARLTON.—We say the exchange difficulty is not the only trouble. It is one of many troubles.

Sir JOSEPH COOK.—It is the only trouble that is affecting this industry, and if we can cure it to-morrow the duty provided is ample to keep this huge business going. Not only has the Minister said he will correct the exchange difficulty, thus increasing the security which this key industry needs, but he has also promised not to permit any country to dump raw materials in Australia in such a manner as to injure this or any other industry. That is the second line of security offered.

Mr. CHARLTON.—But dumping is going on at present.

Sir JOSEPH COOK.—Of course, because we have not yet passed the anti-dumping legislation promised by the Minister, and I suggest that honorable members who are supporting the amendment and putting up a "stone-wall" on this item are delaying the passage of that necessary legislation.

Mr. FENTON.—You can bring in the anti-dumping legislation to-morrow, and we will pass it.

Sir JOSEPH COOK.—The sooner this Tariff is out of the way the sooner will that legislation be introduced. The Minister has given a further guarantee which I ask honorable members to consider. He has promised that the moment this industry is threatened in any way—and I do not see how it can be if the exchange difficulty is corrected and the anti-dumping legislation passed—he will review this duty and consult the House further in order to protect this great industry in Australia. The Government are as anxious as any honorable member in this House to safeguard the Australian iron and steel industry. Honorable members who are supporting the amendment have put up a good battle, and I now suggest that, after all, we only differ as to the form this security should take.

Mr. WATKINS.—If we allow the British rate to stand, will the Government give us any relief in the general Tariff?

Sir JOSEPH COOK.—We appear to be at an *impasse*, and I suggest that if

the Committee allows the item to pass the honorable member may move to re-commit it before the Tariff is finally disposed of. The Government will offer no objection to that course.

Mr. CHARLTON.—May I suggest that the item be left in abeyance until we deal with the other items? This will allow of further time for consideration.

Sir JOSEPH COOK.—No, because this is the basic industry, and the Tariff on other items must be considered in relation to the protection provided in this item.

Mr. CHARLTON.—Nearly all members behind the Government said "No" to my suggestion. I suppose we know what that means.

Sir JOSEPH COOK.—I am sorry that I cannot make any impression on the honorable member, although I have done my best. I can only repeat that the Government are as anxious as the honorable member to safeguard this industry, and will take care that no harm comes to it, but we will not surround it or any other industry by a wall which will make fair and reasonable competition impossible. The moment danger threatens the industry effect will be given to the Minister's promise to consult the House as to the Tariff, and see what can be done.

Mr. RICHARD FOSTER (Wakefield) [3.28].—I am quite in accord with the desire of the Acting Prime Minister (Sir Joseph Cook) for a division on this item, and if I thought there was any possibility of a vote being taken I would resume my seat without saying a word; but, judging by the temper of the Committee last night, there is no probability of an early division, I am sorry to say. I urge honorable members to consider again the promise made by the Minister, and repeated by the Acting Prime Minister this afternoon. The Leader of the House only repeated what the Minister for Trade and Customs definitely told this Committee, although I have heard one honorable member after another deny that any such assurance had been given. I yield to no man in my admiration for the great industrial concern at Newcastle, but I say that the offer made by the Minister to introduce anti-dumping legislation as soon as the Tariff is out of the way is of more value



to the industry at this moment and in the near future than the additional duty that is asked for. The honorable member for Dampier (Mr. Gregory) objected to such extended powers being placed in the hands of one man, and I very often regret, on principle, that such power of wide and varying extent should have to be given to one man. But there is no escape from it in regard to a Tariff. It is done in every country, and more extensively to-day than ever before in fiscal history. In Great Britain it is being done in a very rigorous fashion at this moment, although it is supposed to be a Free Trade country. Other countries with which we do import business are adopting the same policy. I do not know whether honorable members have read that clause in the Japanese Tariff Bill which provides that—

When important industries in Japan are threatened by the importation of unreasonably cheap articles, or the sale of imported articles at an unreasonably low price, the Government may, after submitting the matter for investigation by the Unreasonably Cheap Sale Investigation Committee, impose upon them during a certain fixed period duties not exceeding their proper price, in addition to the duties provided in the Tariff. Should the articles already have been imported and be in the possession of an unreasonably cheap seller or his agent, the additional duties may be collected from such seller or agent.

That provision is the embodiment of simplicity and completeness, and if applied in Australia would make the 20s. duty on pig iron effective. Japan even follows beyond the Customs House articles which have gone into circulation extensively to the injury of local industries; for them a fair price is declared, and, in addition, a supplementary payment to the Customs Department is demanded. The Minister (Mr. Greene) does not propose to go so far.

Mr. FENTON.—Why not?

Mr. WATT.—We cannot do it while the Constitution remains as it is.

Mr. RICHARD FOSTER.—I would not care to see the Constitution altered in that respect, because I know what Customs officials are. They are prospectors, like fossickers for gold, and are always at it. Do not let them get beyond the Customs House, or Heaven only knows what they will do! No member of the Committee would see the valuable steel indus-

try jeopardized, and the Minister has promised reasonable protection up to the limit of a determined and definite necessity. What more do honorable members want? I ask them to turn their thoughts from pig iron and consider all the ramifications of the iron trade—the blacksmiths' shops, machinists' establishments, the mines—and particularly these, because the greatest Australian necessity at this moment is in regard to them—and the water conservation schemes now in progress, which are one of the brightest hopes of this country, and are largely dependent for their success on this raw material. I shall support the 20s. duty, and I ask the Government to stand by the schedule, plus the provision to be contained in the Bill which the Government have promised to introduce as soon as the Tariff debate is finished. In regard to the outlook of the iron and steel industry, the 20s. duty, even with the additional 10s. proposed in the amendment, is not of half as great concern to the industry as are the uncertain and erratic industrial conditions obtaining in Australia to-day. Honorable members of the Opposition said last night that wages were falling in other countries, thus making the position more difficult for this big industry and others in Australia. If wages are dropping in every other part of the world, is not the same adjustment from war conditions to normal conditions to take place in Australia?

Mr. LAZZARINI.—Now the honorable member is letting the cat out of the bag.

Mr. RICHARD FOSTER.—The honorable member for Dalley (Mr. Mahony) let the cat out of the bag last night, when he said that these adjustments had taken place in other parts of the world, but that the workers were going to resist them to the hilt in Australia.

OPPOSITION MEMBERS.—Hear, hear!

Mr. RICHARD FOSTER.—I wish to apply to this business the same principle as some of the leaders of the industrialists in this House and outside are applying to the idle mines, that cannot operate because the prices of metals will not pay working expenses. We cannot change from war conditions to normal conditions without sacrifice.

Mr. LAZZARINI.—Sacrifice by the workers only.

Mr. RICHARD FOSTER.—No. I shall be surprised if these sacrifices have not to be borne more heavily by other sections of the community than by the workers. I would never be one to saddle a bigger burden upon the workers in this necessary transition stage than upon other people. But I will not, without protest, allow the Tariff to be made a barricade against the adjustment that has to come; and the sooner it comes, the better for everybody. The value of a man's wage is gauged by its purchasing power. Many of the awards of the Industrial Courts during the past two or three years have been made to accord with the cost of living. Since that principle applies up, it must apply down; and the sooner we get back to normal conditions, the more valuable, because of its increased purchasing power, will be the reward of a man's labour in this country.

Mr. LAZZARINI.—Yes; but the honorable member wants wages to fall first.

Mr. RICHARD FOSTER.—I do not want wages to come down one day earlier than is absolutely necessary. The situation, as it applies to our mining industry to-day, is this: Is it better for the employees to take the utmost that the mine can pay, even while withholding every penny from its shareholders, or to fill the streets with unemployed, and make Australia impotent before all the world? Those who reason that the men should walk the streets first are preaching a fallacy which will become a menace and a curse to Australian industry.

Mr. LAZZARINI.—If private enterprise cannot keep things going, private enterprise must go.

Mr. RICHARD FOSTER.—If private enterprise cannot succeed, then God help Australia, for Government enterprise has not taken, and cannot take, its place.

Mr. FENTON (Maribyrnong) [3.43].—When comparisons are being made of conditions existing in Australia and in Great Britain and America—wherein it has been pointed out that there have been instances of reductions of wages, by general consent—it should not be forgotten that in almost every instance there has been a preceding reduction in the cost of living. Before the Australian worker can be expected to accept lower rates of pay, there must be reduction of the cost of living.

Mr. RICHARD FOSTER.—I want to see that prior condition here, wherever possible; but it is not possible in respect of our mining industry.

Mr. FENTON.—We cannot expect men to engage in a hazardous and health-forfeiting occupation for a miserable pittance.

Mr. RICHARD FOSTER.—No miserable pittance has ever been offered or paid in the history of mining in this country.

Mr. FENTON.—I emphasize that if we are to have a reduction in the wage standard, it must be preceded by the reduction of the cost of living. As for the industry immediately concerned in the present discussion, it possesses—quite apart from the interests of employers and employees—a big national aspect. No one can separate our iron and steel industry from the interests of the nation itself. To bring into being the vast works which will be constructed, with the future growth of Australia, steel and cement will be the two great elements. If we were to wipe out the works of the Broken Hill Proprietary Company, and of Mr. Hoskins, the people most vitally interested in those enterprises, financially, might not be very great losers. But, in association with those industries there are 150,000 dependent people.

Mr. RICHARD FOSTER.—I do not expect to see Australia's iron and steel works forced to close.

Mr. FENTON.—We must be careful. All over the world vast trade organizations are being formed to exploit the world's markets. To some extent, a Tariff may prove a protection against foreign exploiters, but it may not be really adequate; and even an anti-dumping law may be of little service against powerful organizations having world-wide interests. We are living in abnormal times, and must legislate abnormally, particularly for the welfare of our own national enterprises. When the Public Works Committee was inquiring into the establishment of an arsenal at Canberra, one of Australia's best-known mining engineers tendered valuable evidence. The witness was Mr. McKay, late general manager of Walkers Limited, Maryborough. He was asked why he had gone to India to pursue his investigations into



the establishment of an arsenal in Australia, and he replied that when it was first suggested that he should proceed to India he was surprised; but, having seen what was being done there, he was at once convinced that he had gone to the right place to secure the information which he sought. The skilled Indian employee in the great steel and iron enterprises established in that country receives a beggarly pittance compared with the Australian employee. Those Indian establishments are a menace to the Australian industry. Steel of a high class is being turned out.

Mr. FOWLER.—Have you seen any of it in Australia?

Mr. FENTON.—I have not, for the reason that the Indian factories were engaged during the war period upon the production of war-like material. But, to-day, those works are turning attention to the world's markets; and the Australian market is among the nearest. This Parliament should frame a Tariff to afford the necessary protection to white people.

Mr. RICHARD FOSTER.—The representatives of the iron and steel works have made investigations in other places.

Mr. FENTON.—The workmen employed at the Newcastle Steel Works and Hoskins Limited, as well as the employers, are fearing the menace of Indian competition. If this House is going to say that we are not to grant further protection to those who have established these important industries in Australia it will indeed be a retrograde step. Putting aside private interests and even the national aspect of the question, can one deny that an industry that directly and indirectly finds employment for 150,000 should not receive every encouragement? Are we to be responsible for practically annihilating such undertakings? If such a thing should happen it would be a sorry day for Australia; and when the electors have an opportunity of recording their votes they will not forget those who criminally allowed such industries to go by the board. Seeing that the present party is in power, I am glad that we have the present Minister controlling the Customs Department. I am prepared to take his word. But I ask honorable members if we are likely to do any harm to a solitary person in Australia if we increase the proposed rates to 30s., 45s., and 60s. respectively?

Mr. FOLEY.—Would the honorable member be in favour of reducing the British rate and allowing the others to stand?

Mr. FENTON.—Why is the honorable member for Kalgoorlie (Mr. Foley) so ready to make that suggestion? Great Britain is not prepared to do that with her competitors, whether they are in the Dominions or in foreign countries. Sir Robert Horne, in referring to outside competition and the peculiar position of exchange, said that if Britain had to compete with other countries she would have to ask her workmen to consent to their wages being reduced by one-half, and they could never allow that. He was considering the interests of the British workmen, and we are fighting for the Australian operatives.

Mr. FOLEY.—One of the honorable member's colleagues made a statement last night to the contrary. I made a note of it at the time.

Mr. FENTON.—With all due respect to the honorable member, I would prefer to take the *Hansard* report. We are merely asking that the Australian workers shall receive fair and reasonable consideration. I do not doubt the sincerity of the Minister who has arrived at certain conclusions after, I believe, close investigation. He has submitted his case. The honorable member for Newcastle has moved an amendment, which has received almost unanimous opposition from the members of the Country party, and having received that, it appears that the Minister—I do not say it in any disrespectful way—is now prepared to adhere to the proposed rates.

Mr. GREENE.—That has nothing whatever to do with it.

Mr. FENTON.—Certainly some assurances have been given by the Minister, and he can, I suppose, count on the support of those behind him, with the exception, perhaps, of the honorable member for Kalgoorlie (Mr. Foley).

Mr. FOLEY.—I do not think the honorable member can expect me to support the amendment.

Mr. FENTON.—We should have your support. What would happen if we adopted the suggestion of the honorable member and reduced the British rate to 15s. per ton? We have already lost two or three contracts, and there will be no

further opportunity for works at Newcastle or Hoskins Limited to carry out the work that will be required in the future. The Acting Prime Minister (Sir Joseph Cook) said that we are dealing with blooms, billets, and raw material; but we have reminded him that the largest manufacturer of the completed article—railway rails—is the Broken Hill Proprietary Company.

Mr. CORSER.—If we combine the operations of other industries, there are larger undertakings than those at Newcastle. Some are manufacturing mining machinery, plant required in the manufacture of sugar, and in the construction of ships.

Mr. FENTON.—Yes; but many of the parts used in such factories are made by the Broken Hill Proprietary Company. Angles, manufactured at Newcastle, are despatched to other works and merely bolted into position.

Mr. CORSER.—The largest and best of machinery has been sent down by Walkers Limited.

Mr. FENTON.—I am not depreciating the value of the work done by Walkers Limited; but if the honorable member is referring to the shipbuilding at Williamstown he must remember that much of that work was done at Castlemaine. The present condition of exchange places some countries in a peculiar position, but what will be the result when conditions become normal?

Mr. FOLEY.—If prices are lower the position will be better.

Mr. FENTON.—Will these duties protect the manufacturers? It is the intention of the Government to introduce legislation dealing with the question of exchange, which may be the means of preventing a certain amount of foreign competition. In six months' time, provided the exchange position becomes normal, the legislation passed by this Parliament will be of little use. Imports will then come in under normal conditions.

Mr. FOLEY.—I am in agreement with the honorable member on that point.

Mr. FENTON.—I would rather see the Minister bring in the promised Bill at this juncture.

Mr. FOLEY.—I suggested that during the general debate.

Mr. FENTON.—I think that it is the proper policy to adopt, because if we

knew what anti-dumping legislation was to be brought forward we would be in a position to know if real protection was being afforded. The value of the proposed measure will depend largely on the manner in which it is administered. When duties are embodied in the Tariff in black and white, they must remain until amended. If it is desirable to fix the duty on imported onions at £6 per ton, and on bananas at 8s. 4d. per cential, surely it is reasonable to fix a definite and effective rate in the Tariff schedule in respect of this industry. It is like "beating the air" to discuss this matter further, because the Minister has apparently made up his mind, and is not likely to recede from the position he has taken up. We have had a further promise from the Acting Prime Minister; his language was fairly definite and a little more encouraging. He said we were erecting three walls, but I would prefer to call them fences, because they cannot be regarded as walls unless they are capable of preventing goods that we can manufacture coming into this country. That is the kind of wall I want to see. We cannot speak of a protective duty as a Tariff wall unless it is successful in preventing goods coming into this country in successful competition with our local productions. We know that the old Free Traders' argument used to be that "competition is the life of trade;" but to-day we have discovered that co-operation is better than competition. Protection is a definite expression. It presupposes complete action to protect. Can any one say that the duties proposed in this item represent anything like a fair measure of protection for the steel and iron industry? There are other items in this division which have yet to be considered, and in connexion with which it will be necessary to secure such a measure of protection as will prevent the competition of Belgian productions with the products of Australian industries subsidiary to the steel and iron industry, and I remind honorable members that the duties imposed on this first item will, to a large extent, govern the protection which the Committee will be willing to afford to subsidiary industries dealt with in items appearing later in this division.

Mr. FOLEY.—We have put a duty on molasses that is already seriously injuring



the industry of powellizing timber in Western Australia.

Mr. FENTON.—Why is that?

Mr. FOLEY.—Molasses is run down the rivers in Queensland, and yet it costs more than the powellizing industry can afford to transport it to Western Australia.

Mr. FENTON.—If there is any one permitting molasses to run down the rivers in Queensland, action should be taken to prevent any such thing.

Mr. CORSER.—That has not been done for some time past.

Mr. FENTON.—I know that from this by-product of the sugar industry power alcohol might be produced in large quantities, and it is certainly a very saleable article.

Mr. FOWLER.—The honorable member could not get a tin of molasses in Melbourne to-day under about 6d. a lb.

Mr. FENTON.—Then some one is getting a big profit out of it, and there is all the more necessity to pass the legislation promised by the Minister for Trade and Customs (Mr. Greene) to prevent the exploitation of the people. My honorable friends opposite are prepared to rely upon one promise made by the Minister for Trade and Customs, and I ask them to rely upon the other also. I am putting my confidence in both his promises. The honorable gentleman has promised anti-dumping legislation for the protection of this industry if it should be found that duties imposed by the Tariff are not sufficient for the purpose. My honorable friends opposite are relying on that promise. I should like to remind those who have raised the false alarm that the companies carrying on this industry may form themselves into a combine to exploit the people that the Minister for Trade and Customs has also promised that, after the Tariff and the anti-dumping legislation is passed, he will introduce a Bill to enable him to protect consumers in this country.

Mr. STEWART.—The honorable member does not always exhibit the same confidence in the promises of the Government.

Mr. FENTON.—I admit that; but, like the honorable member for Balaclava (Mr. Watt), I am one of those who have very great confidence in the present Minister for Trade and Customs. He has promised an anti-dumping law, but he has also promised another measure to protect the

consumer. I say that those who are seeking to put up a fight for the consumer have no need to fear, because should the Broken Hill Company and Hoskins and Company seek to exploit the consumers of their products the Minister for Trade and Customs, by the legislation he has promised, will come down upon them like a thousand of bricks. Why should honorable members opposite accept one promise made by the Minister with a smile and without any evidence of incredulity, and then express doubts about another promise made by the honorable gentleman?

Mr. FOLEY.—The honorable member accepts the word of the Minister on both points.

Mr. FENTON.—Yes, to a large extent.

Mr. FOLEY.—Then, why does not the honorable member accept the word of the Minister when he says that the duties he proposes on this item are adequate?

Mr. FENTON.—The two promises in which I have expressed my confidence are to submit legislation supplemental to the Tariff, and I may tell the honorable member for Kalgoorlie (Mr. Foley) that, particularly in connexion with Tariff matters, I like to make assurance doubly sure. Lest one should in some way fail, I like to have a second string to my bow. If I could do so I would put four, five, or six walls around industries that give employment to Australian people, use Australian raw material, and supply a great national requirement, in order that they might be sufficiently protected against importations from abroad.

Mr. CORSER.—If the amendment is agreed to, will the honorable member be prepared to vote additional Protection for the subsidiary industries of Australia?

Mr. FENTON.—Yes, certainly. I have received requests, and, in fact, tearful appeals on behalf of workmen engaged in industries that are believed to be in danger under this Tariff, to give those industries a greater measure of Protection. I am concerned, not only about the first item of this division, but about many subsequent items, and if we consent to low duties on this first item they will become an obstacle to every proposition for the increase of

duties on subsequent items in this division. I have hitherto looked upon the honorable member for Wide Bay (Mr. Corser) as a stalwart Protectionist. However we may differ upon various phases of politics, I have always expected to find myself on the same side as the honorable member in making our protective duties as high as possible. He did not have a word to say against the imposition of a very high duty on bananas.

Mr. CORSER.—That is not a parallel case, because it was necessary to protect Australian bananas from bananas grown by black labour.

Mr. FENTON.—And in this case it is necessary to protect the Australian steel and iron industry from the products of similar industries in other parts of the world carried on with coloured labour. I am afraid that I shall in future have to describe the honorable member for Wide Bay as a "Protectionist of a kind," if he will not vote with me for the amendment. I have in mind a number of schemes that are being carried out, and amongst them a great water scheme which is now nearing completion, and the pipes for which are to a large extent made by the firm of Hume Brothers, who are well known to the honorable member for Adelaide (Mr. Blundell). The firm is now formed into a great company whose reputation, influence, and supplies are not only Australian wide, but world wide. It has been able to manufacture pipes and channels of reinforced concrete the like of which are not produced in any other part of the world. In the Mornington peninsula a great work, which is to cost £200,000, is being carried out which could not possibly be done for that amount of money were it not for the use of reinforced pipes, the steel rods for which came from the Broken Hill Company's Newcastle works, as the manager of Messrs. Hume Bros. himself told me, and they could not have been obtained elsewhere at the time. Railway construction throughout Australia would have been held up towards the latter end of the war had it not been for the output of this company. It is not true to say that the consumer will be injured if the duty on pig iron be increased, because the increase of the duty will not make the products

of the works dearer. I am not here to extol the merits of the Broken Hill Company; but I heard the sworn statement of the manager of an important undertaking that, had it not been for the ship-building material obtained from the company during war time, he would have had to pay double as much for what he needed. That was evidence that the company did not exploit the Commonwealth Government and the public when it had the opportunity of doing so.

Mr. STEWART.—Let us now have a vote on the amendment.

Mr. FENTON.—A number of members have yet to speak on it. The honorable member for Macquarie (Mr. Nicholls) will present facts and figures regarding the great Lithgow works that should convince even the honorable member for Wimmera of the need for higher duties.

Mr. STEWART.—I am glad that these works are in existence, and would not like to see them wiped out; but I consider that the duties asked for are too high.

Mr. FENTON.—What is to be feared, seeing that the Minister has promised to bring in a measure which will prevent the exploiting of the public?

Mr. STEWART.—I should like to see that measure first.

Mr. FENTON.—I dare say it would have been better had it been before us prior to the Tariff discussion.

Mr. GREENE.—I have told members what the measure will contain. If undue advantage is being taken of the protection afforded to any industry, a Committee that is to be appointed will have the right to recommend Parliament to reduce or abolish the duties protecting that industry.

Mr. FENTON.—I understand that there is to be not only an expert Committee, but a non-party Parliamentary Committee as well.

Mr. GREENE.—That, of course, is a matter which Parliament itself must decide.

Mr. FENTON.—Yes; but that is what is in the Minister's mind. Therefore, if we were to make the duty on pig iron 80 per cent. against Great Britain, and as high as 200 per cent. against the world, Australian consumers would still be perfectly safe. I cannot conceive why the



Country party will not accept the amendment, on the assurance of the Minister that Parliament shall have the opportunity of dealing severely with any industry that may take unfair advantage of the liberal treatment given to it.

**Mr. GABB** (Angas) [4.16].—This debate has now extended over five days, and I have listened closely to the speeches which have been delivered for and against the amendment. As I propose to vote against the amendment, and most of the members of the Labour party intend to support it, I desire to give my reasons for so voting. I am by no means convinced that those who claim that the iron and steel industry needs extra protection have made out a good case. The honorable member for Corio (Mr. Lister) said that the Broken Hill Proprietary Co. had exported material to the Federated Malay States, Java, and other countries. If the company can compete abroad with foreign manufacturers, why cannot it do so in Australia? Then the honorable member for Maribyrnong (Mr. Fenton) told us that if the Broken Hill Company had not manufactured certain material an important contract could not have been carried on. That statement did not assist the argument for an increase of duty. I feel that the rates proposed by the Government are adequate. Although a Protectionist, I am not rabid, and will not vote for duties that are practically prohibitive, because, as I have said previously, if we go too far, our work will react upon us in the future. We should accept the assurance of the Minister that he will bring in legislation that will prevent dumping. We shall do more service to this industry by preventing dumping than by increasing the duties. The unfair conditions caused by dumping and unfavorable exchanges are special circumstances which must be met by special measures, and the Minister has promised to introduce those special measures. I do not always rely on Government promises, but in this special case the pressure brought to bear will be too strong to allow the promise to remain unfulfilled. I wish I could feel equally sure that the consumers will be adequately safeguarded.

**Mr. MATHEWS**.—I draw attention to the state of the Committee. [*Quorum formed.*]

**Mr. GABB**.—I have been just a little pained by the strenuous efforts of some of my comrades to assist a very wealthy company, though I admit that their desire is, not so much to benefit the company as to keep in employment the men in the industry. I ask these honorable gentlemen a question which is the direct opposite of that directed by the Treasurer to the honorable member for Dalley (Mr. Mahony): Do they feel sure that if the rates of duty are increased, the Broken Hill Proprietary Company will still keep its wages at what they are now, even should wages fall throughout Australia?

**Mr. CHARLTON**.—Are you not certain that if successful competition comes from abroad the workmen employed by this company will be out of employment?

**Mr. GABB**.—I am satisfied with the assurance of the Minister that he will prevent dumping, and will remedy this unsatisfactory operation of exchanges.

**Mr. CHARLTON**.—Then you are easily satisfied.

**Mr. GABB**.—No, I am not. Do honorable members think that the Broken Hill Proprietary Company, even if it obtained three times as much protection as is proposed, would be false to the other capitalistic concerns in the country by keeping its wages up when wages generally were falling? On the contrary, it will be one of the first to assist to bring down wages as much as possible. The honorable member for Corio (Mr. Lister) spoke of the great loss and inconvenience which the company suffered during the war for the sake of other industries; but I do not think that it would agree to any loss or inconvenience unless it was absolutely forced to do so. The company is not a philanthropic institution, and I do not think it has suffered either loss or inconvenience. I believe in reasonable competition. To increase these duties will make such competition impossible, and as the finished products of the iron and steel works are the raw material of other industries, their cost will be increased, and consequently the cost of the implements and machinery and other things into which they are manufactured.

**Mr. FOWLER** (Perth) [4.25].—I think that those honorable members who are

proposing amendments to this item are somewhat ill-advised. The Government have brought down a Tariff schedule which offers a very substantial measure of protection indeed to the iron industry—probably a much larger protection than the promoters of the industry themselves expected a few years ago. I do not suggest for a moment, having regard to the abnormal conditions which prevail throughout the world, that the proposals of the Government are in the nature of too high a protection. I make that statement as one who looks with some amount of regret upon the fact that Free Trade has practically disappeared from the world. There is scarcely such a thing as international Free Trade at the present time.

Mr. WEST.—It is not possible to give effect to it.

Mr. FOWLER.—That is not the reason for its disappearance. Rather is it due to the tremendous concentration of capital and labour in particular directions, which has caused the control of production to pass into the hands of a comparative few. This is a condition of things which obtains the world over. Some of these large organizations operate far beyond the limits of any one country, and, in view of the abnormal conditions which pertain to industry throughout the world, I am perfectly prepared to give Australia that measure of protection to which she is reasonably entitled. This afternoon we heard something about the necessity which exists for protecting the highly-paid workers in the iron industry in the Commonwealth against the lower-paid workers in that industry in other parts of the world. May I remind the Committee that in the past the great competition to which Australia has been subjected in iron manufactures has come from the most highly-paid labour country on the globe, namely, the United States of America? Yet the industry here has grown and flourished, notwithstanding that it has been paying much higher wages than were paid in any other country except the United States of America, until the war produced the present abnormal conditions. To-day, it is somewhat amusing to find that Japan—the country in which wages are probably lower than they are anywhere else in the world—finds it

necessary to protect its low-paid artisans from the competition of other countries.

Mr. STEWART.—Competition from where?

Mr. FOWLER.—From those countries which pay ten times the wages which Japan is paying at the present moment. I simply mention these matters to show that wages have not always a relation to the cost of production.

Mr. GABB.—It is often more a question of the quality of the products.

Mr. FOWLER.—I agree with the honorable member.

Sir ROBERT BEST.—But the wages paid have a great influence in Australia.

Mr. FOWLER.—They exercise a certain influence, I admit, but they are not the dominating factor. It is always better to pay for a high degree of efficiency than to get decreased efficiency as a result of the payment of low wages. I do not desire to see the worker in Australia suffer a reduction in wages. But wages are necessarily determined by the cost of living, and I agree that the workman of Australia has a right to demand a very much greater reduction in the cost of living than has yet taken place before submitting to a reduction of his wages. Whilst the iron-worker here is getting a substantial wage, it must be remembered that the iron-worker in Great Britain was in receipt of even a higher wage during the war. The reduction of wages which has taken place in Great Britain has not brought the wages of the iron worker in that country any lower than the wages being paid in the Commonwealth at the present time. Yet the cost of living in the Old Country is declining rapidly, whereas in Australia, particularly in regard to bread, meat, boots, and clothing, there is more profiteering to-day—taking into consideration the cost of the raw material—than occurred during the war. Consequently it would be unreasonable to expect any reduction of wages in Australia until there has been a corresponding decline in the cost of living. Some little time ago I heard one representative of Barrier interests affirm that all that the Broken Hill Proprietary Company feared, in connexion with steel production, was the dumping of goods from other countries. Whilst there is just a possibility that



dumping may be practised in Australia, I am inclined to think that those who have the materials to dump will look for a larger market, because, other things being equal, there would be less likelihood of a drop in price in a large market than there would be in a limited market. But, in any circumstances, I regard the proposals of the Government as sufficient to meet any menace of that kind.

Sir ROBERT BEST.—The Government themselves admit that they are not, and that they must introduce special legislation to deal with dumping.

Mr. FOWLER.—I am suggesting that the proposals of the Government will meet the position.

Sir ROBERT BEST.—The proposals set out in the schedule will not.

Mr. FOWLER.—The schedule has nothing whatever to do with the matter. Surely the honorable member does not suggest that the Government intend to betray the House in regard to their dumping proposals? I am prepared to do all that lies in my power to insure that our manufacturers shall be effectively safeguarded against the abnormal conditions which obtain in the outside world.

Mr. MATHEWS.—After that statement, there is hope for the honorable member.

Mr. FOWLER.—I hope that I have always acted sensibly. If the world would only revert to sensible methods in regard to trade, I would be prepared to revert to my old fiscal ideas. May I remind honorable members that the Broken Hill Proprietary Company is in an excellent position in regard to the production of the raw materials of the iron and steel industry? It is admitted that with coal and possibly the best iron ore in the world within easy conjunction of one another, and with sea carriage, that company is absolutely at an advantage over the manufacturers of other countries like Great Britain, where the prices of coal have soared beyond anything we have experienced in Australia, and where the iron ore has to be brought considerable distances from other parts of the world. So long as it gets the measure of protection proposed by the Government, and the special legislation which has been promised to safeguard it against unfair competition from outside countries, I feel sure that the Broken Hill Proprietary Company will be quite satisfied, and that

the interests of the workers in the industry will be amply protected.

Mr. FENTON.—The honorable member knows that when the general manager of that company was before the Public Accounts Committee he affirmed that the company needed protection.

Mr. FOWLER.—He said that it was necessary to protect the company from dumping.

Mr. FENTON.—The two things were in conjunction.

Mr. FOWLER.—Admitting that the honorable member's statement is correct, the company is getting as much protection as its then manager ever anticipated it would get, and in addition it is intended to enact legislation to protect it against dumping. In view of all these facts I feel justified in supporting the proposals of the Government.

Mr. MATHEWS (Melbourne Ports) [4.37].—I am another of those very foolish Labour representatives who intend to support monopolistic concerns like the Broken Hill Proprietary Company's steel works, and the works which are conducted by Hoskins and Company. I have been told that the former company possesses a capital of about £6,000,000, of which £4,000,000 or £5,000,000 represent profits. These facts, however, will not prejudice me in my attitude towards the company, because if it had not made these profits the importers would have made them. I am very much more concerned about the men who are unemployed at the present time. I am one of those who will endeavour to raise wages whenever it is possible to do so, and who will consistently seek to provide work for those who are unemployed. After listening to the debate upon the Tariff, I am satisfied that every honorable member agrees that it is essential that Australia shall be a self-contained country. Upon this occasion I recognise that the Government are up against it. We all admire the masterly way in which the Minister for Trade and Customs (Mr. Greene) has handled the Tariff, but when the Acting Prime Minister became involved in the debate it was evident that the Government had seriously to consider the situation which has been created by our attempts to obtain a higher measure of

protection for the iron and steel industry. In my judgment, Ministers would have acted wisely if they had consented to the postponement of this item for a week, in order that they might consider the duties which should be levied upon manufactured articles if the duties for which we are pressing are imposed upon iron and steel. I cannot understand why some honorable members refuse to realize that the local production of our requirements is good from the point of view of every interest. On one occasion I visited the Ivanhoe mine at Kalgoorlie, and saw there a very complete machine shop. The manager of the mine was proud of it, and said that the company was able now to do all its own repairs on its own premises. In days gone by, he added, when they had to trust to outsiders they did not know where they were, and while the establishment of the machine-shop had cost them a good deal, they were now reaping the full benefit of having a self-contained establishment. That, to a degree, is what all Protectionists are seeking, in so far as Australia is concerned. The honorable member for Perth (Mr. Fowler), who has always been an out-and-out Free Trader, during the war, in common with others, had an opportunity to realize how much better off we should have been if we had been a more self-contained country. As a matter of fact, it would have been much better for the Empire if Australia had been a very large producer of iron and steel.

Mr. FOWLER.—Before Federation, was not Free Trade New South Wales quite as far advanced, so far as the iron industry was concerned, as was Protectionist Victoria?

Mr. MATHEWS. — When was New South Wales a Free Trade State? The honorable member knows that prior to Federation Sydney was outclassed by Melbourne as a manufacturing centre. Under the Federal Tariff, however, Sydney's industries have expanded to such an extent that in many cases they now exceed those existing in Victoria.

Mr. BAMFORD.—Queensland is ahead of both New South Wales and Victoria as a manufacturing State.

Mr. MATHEWS.—I am glad to hear these claims on behalf of the different States; but, as a matter of fact, all

Queensland's manufactories could be put into one part of my electorate without swamping it. The howl of the Free Traders in the days gone by was that with Free Trade we could do this and that—

Mr. FOWLER.—The howl used to be for Protection for our industries. Many of those industries are now grey-headed, so to speak, but they are still clamouring for additional protection.

Mr. MATHEWS. — I am foolish to argue with the honorable member who knows, but will not publicly admit, that my contention is correct. I well remember the eloquence and energy that he used to throw into the Free Trade campaign to open the ports of Australia to the dumpers of the world. He used to indulge in all the old clap-trap arguments invariably used by Free Traders, but his one-time enthusiasm in the Free Trade cause has departed from him, and he has come now to recognise the inevitable.

Has the Minister (Mr. Greene) conferred with the Acting Prime Minister as to the extent to which it will be necessary to raise the duties on other items in this division if the duties on pig iron are increased? I may as well say at once that unless the duties on the higher manufactured articles coming within this division are to be raised, I shall not vote for the increase proposed in this case.

Mr. FOWLER.—Another inconsistent Protectionist!

Mr. MATHEWS. — The honorable member may say what he pleases. I have entered into this debate with a full knowledge of what is desirable in regard to the protection of the iron and steel industry; but I should be an ass if I voted for this increase without knowing that the duties on the higher manufactured articles of iron and steel were also to be raised. I am not one of those Protectionists who claim that the imposition of a duty will not in any case lead to an increase in prices. If these increased duties did raise the price of pig-iron their imposition would still be wise from the stand-point of Australia's interests. I speak for the people of Australia, and not for any particular section of the country.

Mr. GREENE.—I have already stated that if the Committee decided to in-



crease this, the basic duty of the whole division, the increase would necessarily carry with it increased duties on all the iron manufactures. These duties have been arranged, as far as possible, with due regard to the relative value of one to another. If one duty is raised, that relative position must be maintained.

Mr. MATHEWS. — Quite so. In other parts of the world wages are being reduced. An effort in the same direction is being made here. That is the object which Mr. Knight and Mr. Ashworth have in view, but I hope the effort will be frustrated. In Great Britain and other parts of the world, wages have been lowered; but if we desire to maintain our civilization, such as it is, we shall have to fight the attempt to reduce wages, and it will be necessary for us to prevent the entry into Australia of commodities from countries where wages are being pulled down. We see in to-day's press that Japan, despite its cheap labour of which we hear so much, is bringing in legislation\* to prevent dumping.

Mr. FOWLER.—To protect her cheap labourers from the competition of the higher-paid labourers of other countries.

Mr. MATHEWS.—Exactly. Mr. Ashworth, who is now a "buttoner" for the Age—I do not know how he got the position—was at one time an ardent Free Trader, and used to tell the people that we were endeavouring to protect ourselves against the more highly-paid workmen of the world. As the honorable member for Perth has said, Japan is bringing in legislation to prevent her poorly-paid workmen being thrown out of employment by imports from other countries where higher wages are paid. This only goes to prove that manufacturers in many countries having, like our farmers, got the best prices from their own people, are prepared to sell for much less to the people of other countries. During the present year, while we have been paying 9s. a bushel for wheat, our farmers have been dumping it into other countries at a very much lower price. The South African Government had to take measures to protect their people from dumping on the part of Australia. We, too, must protect ourselves from dumping. At the end of a season in Great Britain, manufac-

turers, having fully satisfied the local market, can dump their commodities in Australia.

Mr. FOWLER.—That hardly applies to iron.

Mr. MATHEWS.—It might very well apply to manufacturers of iron and steel. There might be, for instance, an overproduction of agricultural implements in Great Britain, and at the end of the season there the manufacturers might say, "We have done very well here this season and can afford to dump the balance of our stocks in Australia." Honorable members of the Country party have been howling about the increased cost of agricultural implements. The honorable member for Indi (Mr. Robert Cook) made himself ridiculous in the eyes of his hearers the other day when he referred to the position in Canada. Honorable members in many cases lose sight of the fact that, in so far as manufactures are concerned, Canada and the United States of America are, to all intents and purposes, one. The honorable member for Indi complained that a certain agricultural machine for which Australian manufacturers were asking £104, was being sold in Canada for £61. He did not tell us that the Canadian machine was being sold at £95 in Great Britain and at £97 in New Zealand. Nor did the honorable member tell us that the article itself was not so heavily built, nor so strong, as the Australian product at £104. Of course, I know that somebody "sold him a pup"; he was told something which he repeated to us without investigation. It does not matter to me whether the price is increased; if we desire to keep up our standard of living here, we must have duties against importations. I am always for a promotion of purely Australian ideals, and those who wish to represent other parts of the world ought to leave this country. If others are concerned about the profits of the capitalists' section of our community, I am concerned more about what foreign capitalists make out of this country. If the Government so far forget themselves as, for any reason, to leave unfulfilled their promise to legislate in order to prevent manufacturers from overcharging, I am afraid that we, on this side, will not receive much assistance from the members of the Corner party in our efforts to

prevent the consumers being robbed. Indeed, I think we should have more chance of receiving assistance from honorable members sitting immediately behind the Government.

Mr. AUSTIN CHAPMAN.—Surely you do not refer to all the members of the Corner party?

Mr. MATHEWS.—I refer to a great many of them; and a little circumstance within my knowledge affords a general illustration of their attitude. At Shepparton, in the constituency of Echuca, is the well-known firm of "Furphy's" the biggest manufacturers in the country districts of Victoria, whose water-carts are to be seen all over Australia.

Mr. GREGORY.—And the firm is complaining bitterly of the cost of their raw material. Do you want to close down the works?

Mr. MATHEWS.—I merely mention this firm in order to inform honorable members that a man, who had been employed by it for twenty-two years, was dismissed because he had the impertinence to run against a sitting member for Echuca, the late Mr. Palmer, as a Labour candidate. The farmers and others of Shepparton and the surrounding districts said, in effect, that if this man was kept employed the firm would get no more of their orders; and while the firm, in my belief, did not wish to "sack" him, it had to do so because of this local pressure. I merely mention this to show what may be expected from the crowd represented by the Corner party when it comes to dealing with the worker. I trust, however, that the Corner party will help honorable members on this side to compel the Government to keep the promise to which I have referred, and to see that manufacturers who enjoy protection sell their products at reasonable rates.

Dumping is the problem we have to consider and solve. I address myself to this question in no kindly feeling towards the capitalistic section of the community; my object is to make Australia what it ought to be—a manufacturing country. That, object, I contend, can only be achieved by excluding imports from other countries. I look forward to the establishment of more companies for the production of pig iron. I also anticipate great railway extensions in Australia, and I do not desire the community to be at the

tender mercies of one or two companies for the supply of steel rails. Our hope is that, by the imposition of increased duties, we may encourage the development of manufacturing, not only in this, but in many other directions. That development can only be achieved by means of an adequate Tariff.

Mr. NICHOLLS (Macquarie) [5.1].—I support the amendment because, in the first place, I believe that duties should be placed on articles that can be manufactured in Australia, and, in the second place, because I desire to see the whole of the employees engaged in our various industries properly safeguarded as to their standard of living. I do not speak now on behalf of the employers, who, in my opinion, are quite capable of safeguarding their own interests. The commodity under discussion can be well and truly manufactured in this country. We have the whole of the raw material close at hand, with proper facilities for carrying on the industry; and it can be carried on, I do not say as cheaply, but just as easily, as in other countries. Australia should not be permitted to become the dumping ground for cheap surplus products from overseas; and it appears to me that the present duties on iron are not sufficient. Conditions have so much changed since the Tariff was first introduced as to warrant further increases in the duties. I may be permitted to quote some figures showing the increased cost of production of iron in Australia. The price of coal has increased by 4s. per ton, and, taking 2 tons of coal as necessary for the manufacture of 1 ton of pig iron, the increase really amounts to 8s. per ton of iron. Then harbor dues have increased by 4½d. per ton for iron ore and limestone, while the Board of Trade has awarded an increase of 8s. 6d. per week for every employee in the industry. All this means, of course, a very considerable reduction in the Tariff; indeed, it practically means that imported iron is allowed free into Australia. Is it not evident that this country is not in a position to compete with other countries which do not pay the same rates of wages and observe the same conditions? The Minister for Trade and Customs (Mr. Greene) stated quite recently that he was prepared at all times to safeguard the interests of such a gigantic industry as the iron and steel in-



dustry, and, further, to see that continuity of operations was maintained. That being so, there does not appear to me any reason why the honorable gentleman should refuse to accept the amendment.

There is another point to be considered. Germany can manufacture iron at a much lower rate than it can be manufactured at in Australia, as the following table will show:—

COMPARATIVE STATEMENT.—AUSTRALIAN AND GERMAN WAGES IN IRON AND STEEL INDUSTRY.

Authority—*Engineering*, 31st October, 1919, for German Wages.

Conversion—

1913-14—Standard value of Mark 20·43 to £1—approximately 1s.

August, 1919—Standard value of Mark 89·08 to £1—approximately 2½d.

March, 1921—Standard value of Mark 243 to £1—approximately 1d.

Year.	Companies.	Number of Employees.	Total Monthly Wages Paid.	Average Wage per Employee per month.	Average Wage per Employee per month.	Average Wage per Employee per month for 1921, including application of Judge Beeby's Recommendation on a 44-hour week.
			£	Marks.	£ s. d.	£ s. d.
1919 .. .. .	Broken Hill Pty. ..	4,695	68,448	..	14 11 7	22 12 10
1920 .. .. .	Broken Hill Pty. ..	5,670	102,552	..	18 1 8	
			Marks.			
Average for 1913-14 ..	Phoenix Coy. (Germany)	40,000	5,800,000	145	7 0 0	
Average for July, 1919 ..	Phoenix Coy. (Germany)	37,820	18,000,000	476	5 6 10	

It will be noted from the above statement that whilst the marks paid to the German employee in the year 1913 was at the rate of 145 marks per month, equal to £7 sterling, that to the year 1919 saw an increase of 331 marks per month. Owing to the depreciated value of the mark, this increase showed an actual decrease of £1 13s. 2d.

It has always been the view of the Government that the industries of this country should be protected; and the only way is to impose a duty that will prevent foreign manufacturers, who pay smaller wages than are paid here, from dumping their material into Australia. If nature had not provided us with all the necessary raw material for the manufacture of this commodity, there would be a reasonable excuse for allowing importations at lesser rates of duty; but, while the present Tariff remains, we can be sure that no speculator will invest in the iron industry, for the simple reason that he is given no guarantee of security. If there were, such a guarantee, there are scores of investors fully prepared to embark in the industry. There is ample room for new industries of this character; but people will not invest if foreign countries are allowed to dump their products practically free of duty. The Government have paid to Hoskins Limited a huge amount of money for the production of iron. That can be easily obviated by imposing an additional duty of 10s. per ton. I am certain that if the duty is not increased in the near future, the iron industry in Australia will become practically paralyzed, and that

from 150,000 to 160,000 employees will be thrown out of work.

MR. HECTOR LAMOND.—That is like the extravagant prophecies made at the time that the Commonwealth Parliament decided to do away with black labour in Australia.

MR. NICHOLLS.—I am not speaking about black labour; but there is the possibility that the black-labour problem will operate very severely in the shape of competition from other countries unless the Government do something to establish those industries which have already been started in Australia. Two commodities which are most essential to this country are cement and iron. The cement industry is certainly deserving of the same protection as the iron industry. The two industries work with one another. Unless something is done to protect the interests of the people who are already engaged in the manufacture of iron, I am afraid that something serious will happen. Every possible class of iron can be manufactured in Australia, but not much corrugated iron is made here at present, simply because the Government have not sufficiently protected the interests of the industries

which are capable of making it. If sufficient protection were given, there would be no necessity for its importation, because we have the raw material at hand to make it. I am particularly anxious to see the industry protected, because, in my electorate, quite a number of employees are engaged in the manufacture of iron, and if anything should happen to throw them out of employment, it would be most difficult to replace them. I hope the industry will receive from the Government the attention and protection which should be given to it. The Minister for Trade and Customs has assured the Committee that he is prepared to protect it, but assurances of that description have been given before, and in many cases have not been honoured. In this case, let us see that the Minister's assurance that sufficient protection will be given to the iron industry is made effective.

**Mr. CHARLTON (Hunter)** [5.14].—The Acting Prime Minister (Sir Joseph Cook) held out no hope to-day for any increase in this duty so far as he was concerned. We have been contending all along for an increase in the duty in the general Tariff and the British Preferential Tariff, because we are confident, from our knowledge of what has taken place in other parts of the world, that unless something of the kind is done, we shall have a very large number of unemployed, and a commencement of a reduction of wages which will not end until it extends from one end of Australia to the other. The Acting Prime Minister endeavoured to make it appear that he was making some concession when he said that the Government were quite prepared to deal with the exchange question. We understood that from the Minister for Trade and Customs before the Acting Prime Minister spoke at all. He also said that the Government intended to deal with the question of dumping. The Minister for Trade and Customs has never yet definitely stated what he intends to do about the question of exchange. I think he said that he intended to bring in a Bill dealing with it before this portion of the session came to an end.

**Mr. GREENE.**—Certainly. We have to do it as the complement of the Tariff. The only thing I am not clear about at the moment, and I am getting advice

from the Attorney-General's office on the subject, is whether we can incorporate what we propose to do in the Bill of which this Tariff forms the schedule, or whether we shall have to get a fresh resolution in Committee of Ways and Means, and then introduce a special Bill to cover it.

**Mr. CHARLTON.**—Does the Minister intend to do that before we adjourn?

**Mr. GREENE.**—Most certainly.

**Mr. CHARLTON.**—The question of exchange is going to be very difficult to deal with. I do not quite know how it is to be met. That is why I submit that those measures should have preceded the consideration of the Tariff. We should have had them before us so that we could know exactly where we stood in dealing with the duties.

**Mr. GREGORY.**—I have fought for that from the beginning.

**Mr. CHARLTON.**—Yes, and it should be done even now. This item should be postponed pending further investigations by the Minister and his staff, and the introduction of the other measures referred to. It is not satisfactory to the Committee, when dealing with a question of this kind, to be told that, some time before we rise, we are to be asked to deal with the questions of exchange and dumping. They will be very difficult problems to handle. The following quotation from the *Ironmonger* bears on the point:—

The year 1921 starts with two very serious problems. First of all, how can the puzzle of the fall in exchange be solved? (The violent fluctuations of the rates of exchange rob all international commercial enterprise of stability. At present they are combined with speculation, and often bring us face to face with unforeseen situations. Take an example: A German firm buys copper at £100 a ton when the price of marks is 180 to the pound. The metal, therefore, costs 18,000 marks per ton. The rate of exchange falls to 260, and the German dealer is able to sell the copper for which he gave £100 at £75 a ton, and still make, in his own currency, 1,500 marks, or about 8 per cent. profit.

The fluctuations affect the labour situation even more. Throughout Western Europe wages are at least double what they were in 1913. In Germany wages always were lower than in England, but supposing that a man earned 1 mark in 1913, and now gets 10 marks for the same work, the higher sum still works out in English currency to-day at only 9d. per hour, against, say, 2s. an hour earned by a British workman for similar work for which



he was paid 1s. in 1913. A British factory employing 200 workmen forty-five hours per week, therefore, pays out £900 in wages, against £337 10s. paid in Germany, and is unable to compete. Nowadays production cannot be absorbed, and Germany herself, although producing only 70 per cent. of her normal output, instead of consuming a good part at home and exporting to the East at least one-half of the balance, consumes very little, and throws nearly all her surplus on the Western markets at prices with which the Western factories find it impossible to compete.

How are we to meet a situation of that kind? No proposal is before us, and the Committee are asked to accept the duty on pig-iron because the Government intend to do "something" later on to correct differences in the currency. We do not know what that "something" is, or whether it will be successful.

MR. GREENE.—In any case, we could not cure the difficulty of which the honorable member speaks by an increase in these duties applying to the world at large.

MR. CHARLTON.—I quite admit it; but we ought to know exactly what the Government intend to do to meet the situation, and whether it is likely to be effective. We have no inkling of it yet. We are left in the dark, and the question was never raised until the debate took place on the duty on pig-iron.

MR. GREENE.—The reason is that this is the only commodity that I know of on which that question has really become a definite factor in the situation.

MR. CHARLTON.—It may quite possibly become a definite factor in other matters as time goes on.

MR. GREENE.—Quite possibly.

MR. CHARLTON.—There is the position we have to face. Until we deal with it, we do not know whether or not we are providing ample protection for the iron and steel industry. Everything has to be taken with a certain amount of doubt.

MR. GREENE.—We cannot deal with the question on this item.

MR. CHARLTON.—That is why I suggest that the item should be postponed. If that had been done we could have been a good deal further through the Tariff. When we have the fullest information available, we shall be ready to deal with this item. We have had promises, which I am sure the Minister will endeavour to fulfil. We may have faith in him, but

it is quite possible that the remedy the Government propose will not meet the position. It may be a more difficult problem than the Minister imagines.

MR. GREENE.—Decidedly! But I think we have a satisfactory solution.

MR. CHARLTON.—We ought to know what it is, so that we may decide whether it is satisfactory.

MR. GREENE.—It is a problem by itself, and we must settle it by itself.

MR. CHARLTON.—I admit it. The Acting Prime Minister's attempt to make so much of the intention of the Government to deal later on with the questions of exchange and dumping counts for nothing so far as the Tariff is concerned, because those are matters that stand by themselves. The exchange question does not affect every item, but it may be found to affect various items as time goes on. We know that a good deal of dumping is going on to-day in connexion with more than one article. This is made possible because of the conditions existing abroad. The bottom is falling out of things in other countries. They are not coming down gradually, but everything is tumbling down, and if we are not careful the same state of things will occur in Australia. If we do not protect our people and preserve the market for our own industries, the same position is sure to arise here. The Acting Prime Minister tried to make it appear that the Government would do everything possible to protect this industry. He said, "If we find, when the Tariff is passed, that the industry is being injuriously affected, or is likely to be affected, we will bring proposals before the House to deal with the position." Who is going to decide whether the industry is being injuriously affected or not? How is the Acting Prime Minister to know? How are we to know? Is the right honorable gentleman going to take the opinion of the Broken Hill Proprietary Company? Must they come to him and say, "We cannot compete now with the foreign market and the British market, and, consequently, we ask you to honour your pledge to see that no injustice is done to us"? If that is to be the position, a good deal of exception will be taken to it. It will not be satisfactory to honorable members. They will want some tangible proof that such is the case.

To-day we have sufficient proof to justify us in asking for an increase in the duties on this item, because already two contracts in Australasia have been taken at cheaper rates than the stuff can be produced here. That is absolutely true, and it is, therefore, our duty to do something to save the industry. If they can to-day produce so much cheaper in the Old Country as to be able to compete successfully with us, is it not fair to say that the duty is not adequate? If we desire that sort of thing, then we ought to admit that we do not want the industry in Australia, and that it ought to be closed down, because it cannot sell at the same price as its products can be obtained at from abroad. If we take up that attitude, either the industry has to close down, or there must be a general reduction in wages in that industry.

Mr. FOLEY.—Where were those contracts let?

Mr. CHARLTON.—One was let in Western Australia, and the other, I believe, in New Zealand. We have been discussing for some considerable time the effect upon prices of a reduction of wages in the Old Country, where they are fixed on a sliding scale, which is governed by the price obtained for the output commodity. On this point I find the following information in *The Ironmonger*—

The examination of the books of the employers in the Scottish malleable-iron trade, for the purpose of ascertaining the selling price in connexion with the regulation of wages in the industry, shows that the average net selling price for January and February was £27 16s. 6.04d. This means a decrease in the wages of the workmen of 22½ per cent. on basis rates.

The effect of this reduction upon the protection offered in this schedule, which was laid on the table of the House fifteen months ago, is very important. Clearly the advantage must be with the British manufacturers—

The Conciliation Board for the manufactured iron and steel trade of the North of England has been informed by the chartered accountants appointed to carry out the ascertainment that for the two months ended 28th February the average net selling price was £26 19s. 7.97d. On this figure the sliding scale gives a reduction of 25 per cent. on puddling and other forge and mill wages.

In view of these facts, honorable members surely will realize the motives actuating honorable members who are supporting the amendment. We do not want to

see the same industrial depression in Australia. We want, if possible, to maintain the present high standard of wages, otherwise I am firmly convinced that we shall not be able to meet our war obligations. The higher the wages the more employment there will be for the people.

Mr. GREGORY.—But will this proposal find employment for people? The honorable member's figures are hardly fair, because in March of last year, when this schedule was introduced, wages in this industry in England averaged from £6 to £25.

Mr. CHARLTON.—I am not referring to the particular amounts received as wages in Great Britain. Wages everywhere were high during the war period, and it is our purpose to keep them as high as possible here. This statement which I have just quoted shows that wages are coming down very rapidly in the Old Country, and if the iron and steel industry in Australia is to live there must be some corresponding reduction here, in the absence of more adequate protection.

Mr. GREGORY.—Can you tell us what was the average wage in the industry in Great Britain? It may have been very high.

Mr. CHARLTON.—Whilst I cannot give the honorable member that information, the fact remains that if there has been a drop of 25 per cent. in Great Britain, the cost of production there must be appreciably lower, and if the Australian industry is to be in a position to compete, without the higher duties now asked for, wages here will have to come down to something like the same extent, or else our mills will have to close. The position is so clear that I am surprised the Government do not realize the danger, and give us something more on the British and general Tariff. The request is a fair one. What has happened on the other side of the world is perfectly plain to every one who understands the position. The Acting Prime Minister endeavoured to prove that a reduction of wages in Great Britain to the extent of £1 would be equivalent to so much additional protection under the fixed duties; and by interjection I asked what would be the position of the Australian industry, under this Tariff, if the cost of production in



England came down to such an extent as to enable the manufacturers there to send products to Australia at a lower price than the locally manufactured article. Clearly the reduction must be in favour of the British manufacturer. I could understand the Acting Prime Minister's argument if he had said that if wages in Australia fell 25 or 50 per cent., it would be equivalent to an additional protection of £2 for the Australian manufacturer. I believe that all honorable members are desirous of seeing our existing conditions maintained. We know that prices are gradually coming down everywhere, but we have no desire to see them come down to the pre-war level. Unless we make some provision safeguarding us against this contingency, where shall we be? Wages here will come down at break-neck speed if the movement starts in this key industry.

Mr. GREGORY.—But if we increase the Tariff, every other allied industry will be likewise affected.

Mr. CHARLTON.—I am satisfied that an increase in the Tariff on this item will not affect other industries to any great extent.

Mr. GREGORY.—Can you fairly say that of Mount Morgan, Mount Cuthbert, and Mount Lyell?

Mr. CHARLTON.—I do not think it will make very much difference to any of them. I believe that with adequate protection for this key industry the manufacturing concerns of the Commonwealth would be able to supply all our requirements at a reasonable price, because, as their turnover increases, so will their production costs decline. That is the history of the industry in the United States of America.

Mr. GREGORY.—That might be a good argument if our population were increasing at the same rate as in America.

Mr. CHARLTON.—How can we expect to increase our population unless we make provision for the employment of those who may come to Australia? The honorable member, I suppose, is in favour of the proposal to induce people from the Old Country to come here, but how can we absorb any additions to our population if the main avenues of employment are closed? Already we have a large number

of unemployed in the different States, and unless we do something to encourage these industries, the position will be intensified.

Mr. GREGORY.—I think the policy of the Government is doing that already.

Mr. CHARLTON.—The policy I advocate will provide more employment in the manufacturing industries of the Commonwealth.

Mr. GREGORY.—How can that be so if our productive industries are closing down?

Mr. CHARLTON.—That is what I am trying to prevent; but, unfortunately, the honorable member will not assist me. I am endeavouring to preserve our industries, and if the honorable member would only take a broad national view of the situation he would indorse my policy.

Mr. GREGORY.—I think you are wrong; that you are taking a narrow view.

Mr. CHARLTON.—Of course, the honorable member has a perfect right to his own opinion. I am merely contending that we should be in a position to manufacture all our own requirements. The honorable member, the other night, said something about this industry in Canada, I was not then conversant with the Canadian position as regards bounties and duties, but I have since obtained the following statement concerning the Canadian Tariff of 1910:—

#### CANADIAN TARIFF, 1910.

##### Bounties.—

1. The Governor in Council may authorize the payment out of the Consolidated Revenue Fund of the following bounties on the undermentioned articles manufactured in Canada for consumption therein.
2. That it is expedient to provide that the Governor in Council may make regulations to carry out the intentions of these resolutions.
3. That it is expedient to provide that the Minister of Trade and Commerce shall be charged with the administration of the foregoing.

##### Bounties.—

- (a) Pig iron manufactured from ore on the proportion from Canadian ore produced during the calendar years—  
1907—2.10 dol. per ton; 8s. 9d. per ton in addition to duty imposed.  
1908—2.10 dol. per ton; 8s. 9d. per ton.  
1909—1.70 dol. per ton; 7s. 1d. per ton.  
1910—.90 dol. per ton; 3s. 9d. per ton.

- (b) In respect of pig iron manufactured from ore on the proportion from foreign ore produced during the calendar years—

1907—1.10 dol. per ton; 4s. 7d. per ton in addition to duty imposed.

1908—1.10 dol. per ton; 4s. 7d. per ton in addition to duty imposed.

1909—.70 dol. per ton; 2s. 11d. per ton in addition to duty imposed.

1910—.40 dol. per ton; 1s. 8d. per ton in addition to duty imposed.

- (c) On puddled iron bars manufactured from pig iron made in Canada during the calendar years—

1907—1.65 dol. per ton; 6s. 10½d. per ton in addition to duty imposed.

1908—1.65 dol. per ton; 6s. 10½d. per ton in addition to duty imposed.

1909—1.05 dol. per ton; 4s. 4½d. per ton in addition to duty imposed.

1910—.60 dol. per ton; 2s. 6d. per ton in addition to duty imposed.

- (d) In respect of rolled round wire rods not over ½ of an inch in diameter manufactured in Canada from steel produced in Canada from ingredients of which not less than 50 per cent. of the weight thereof consists of pig iron made in Canada when sold to manufacturers for use of making wire in their own factories in Canada. On such wire rods made after 31st December, 1906, 6 dol. per ton; 25s. per ton.

- (e) In respect of steel ingots manufactured from ingredients of which not less than 50 per cent. of the weight thereof consists of pig iron made in Canada. On such ingots made during the calendar years—

1907—1.65 dol. per ton; 6s. 10½d. per ton in addition to duty.

1908—1.65 dol. per ton; 6s. 10½d. per ton in addition to duty.

1909—1.05 dol. per ton; 4s. 4½d. per ton in addition to duty.

1910—.60 dol. per ton; 2s. 6d. per ton in addition to duty.

*Proviso.*—Provided that the bounty shall not be paid on steel ingots from which steel blooms and billets for exportation from Canada are manufactured.

That shows that Canada has paid bounties in addition to imposing duties.

Mr. GREGORY.—Although Canada imported in 1918 4,500,000 tons of anthracite coal and 14,000,000 tons of bituminous coal, on which a duty of 35 per cent. was paid, her manufacturers still compete with the United States of America.

Mr. CHARLTON.—That may have happened, but it does not alter the fact that Canada has assisted that industry. Let me state what is happening in other countries in regard to these matters. This

extract is from *The Ironmonger* of January, 1921—

Belgian Iron and Steel Trade Figures.—In *The Ironmonger* of 18th December, p. 109, the exports of pipes and tubes from Belgium during the first ten months of 1920 was given as 168 tons. This should have been 3,481 tons.

Belgian Ironmongers and German Trade.—There was a discussion at the last meeting of the Belgian Ironmongers' Association on the resumption of business relations with Germany. The general opinion was in favour of a renewal, on the ground that trading with the Germans was a necessity if the economic equilibrium of the world is to be re-established. The British and the French, it was pointed out, had already started dealing with the Germans, and there was no reason why Belgium should continue to pay high prices for British and French goods when she could buy better from the Germans. Belgium was now actually buying goods in France and Britain which had been imported there from Germany.

Britain gets the material from Germany, manufactures it into goods, and exports them to Australia, and our local industries are expected to hold their own with competition of that kind—

For some time past Belgian ironmongers had recognised the necessity of resuming relations with Germany, and many transactions had already taken place, usually through the intermediary of a third party resident in Belgium, as it was thought patriotic to avoid all direct contact with the German manufacturers.

That shows how deceitful the manufacturers are. They buy in a roundabout way to cover their tracks, but after the material has been manufactured into goods in Great Britain it is re-exported to compete with Australian products—

German Competition in Denmark.—The underselling of local manufacturers by German competitors who are taking advantage of the depreciation in the value of the mark in foreign countries is not only felt in Britain, but all over the world, except in some of the minor States of Central Europe where the local currency is worth still less than the German. The director of the United Danish Ironfoundries has just been complaining bitterly of German competition in Denmark in a Copenhagen newspaper. The director points out that in 1908 a Customs duty was placed in Denmark on castings of three oere per kilo., which then represented from 15 to 20 per cent. of the value. The price of castings is now six or seven times as high as it was, so that the protection afforded by the duty only amounts to 2 or 3 per cent., and is no longer of any use in keeping out German competition.

The position is exactly the same here, and we have been arguing for the last week that the duty which the Government have imposed will be useless in the face of what is happening abroad. Our



industries will succumb to foreign competition or the conditions of our workers will have to be reviewed—

The director also states that wages in Denmark are higher than in "any other country in Europe," with the possible exception of Norway (this statement presumably refers to the European continent; it will hardly be contended that wages in Denmark are in excess of those in Britain). The wages in the foundry trade in Denmark average 2.50 kroner an hour, whereas the maximum wage in Germany, converted into Danish currency at the present rate of exchange, is only one-quarter of that amount. He foreshadows a general fall in the prices of raw and manufactured articles, followed by all-round reductions in wages.

Those who choose to look for it can find ample evidence of what is happening abroad.

Mr. CORSER.—The Minister has promised to protect Australia against that competition.

Mr. CHARLTON.—The only effective protection he can give is by consenting to increase the duty. The Minister may endeavour to deal with the exchange, but even if he does that effectively, in what position will our manufacturing industries be if production costs fall in Great Britain, so that goods may be manufactured there at 50 per cent. less than in Australia? When Australians invite tenders for supplies, and get the lowest tenders from Britain, will they not accept them? Will our manufacturing industries have any show at all? The Bills which the Minister has promised will rectify only certain phases of the problem; without an increase in the duties the industry will be at the mercy of foreign competition. We are promised that when the industry is in danger Parliament will be asked to express an opinion. How is Parliament to know when the danger arises? Must we wait until the industry is languishing? Speaking from experience, I know that only when the pinch comes is it possible to realize what is taking place. Then prices begin to fall, and either the workers have to suffer a reduction of wages or the industry must go to the wall. If the workmen accept low wages in a particular industry, those in other industries must follow suit. I warn the Committee that if that happens this country will suffer. Our duty as representative men is to protect the country against such a development, and see that it becomes self-

contained. Has the war taught us nothing? I am fast being driven to the conclusion that our memories are very short; in a year or two we forget everything that has happened in the near past. How many times have I heard honorable members opposite say that Australia should be in a position to supply its own requirements in time of war? We hope there may be no more wars, but we never know what will happen. And if this country is again embroiled in an international conflict, what will happen to us if we have not our industries fairly established and conditions obtaining under which men may live and rear their families in comfort? Are we to go backwards or to allow things to remain as they are? Even if living is dear when wages are high, what does it matter, because the money is spent here, everybody is doing well, and is able to pay his way? I speak not as the advocate of any particular company or combine. I am opposed to all combines, but if there must be a combine I would sooner that it were in Australia, so that we could deal with it, than in some other country beyond our control, where it might be sucking the life-blood out of the workers in order to carry on a cut-throat competition with our own people. It is our duty to extend the avenues of employment, and we can only do it by means of a Tariff which will enable us to retain our own market, establish new industries, keep the country as prosperous as possible, and avoid the developments that are occurring in the Old Country. If we do not protect the iron and steel industry we shall be helping to repeat in Australia the lowering of industrial conditions that is taking place in England. I am prepared to debate this Tariff from the workers' point of view on any platform in Australia, and I know there will be only one answer to my attitude. Make the country self-supporting; give our workers decent wages so that they can live in better conditions than the workers in other parts of the world. Why, in the face of what has happened during the last twelve months, the Minister still refuses to grant an increase in the duty, I cannot understand. I would not be wasting my time and my strength in prolonging this debate if a big principle were not at stake. That for which I am fighting means everything

to the workers of this country. I used at one time to think that it was only men holding extreme views who hinted at certain members sticking up for certain companies. But I find, even in this House, men who stood behind the monopolies during the war and never raised their voices to prevent the exploitation of the people charging men like myself, who have at least endeavoured to be consistent on this matter, with fighting the cause of some company. I stand for no company. I am here as a representative man to defend the interests of the country and its people, and I hope the time will soon come when this Parliament will have sufficient power to prevent exploitation of the people by monopolies. But the immediate necessity is for this Parliament to impose such a duty as will protect the iron and steel industry, increase employment, and prevent that surrender of wages and conditions which is taking place in other countries. If we succeed in doing that we shall have done good work. The promise made by the Acting Prime Minister (Sir Joseph Cook) to-day represents no concession at all. The Bills to regulate exchange and dumping will be all right in their place, but the position in regard to British competition will be the same unless the duty is increased. British manufacturers are getting orders from Australia now, and what will happen if a further reduction of wages and conditions takes place? We have to guard against what is happening abroad and keep the conditions in this country as they are to-day. I can speak from experience of the effect of cut-throat competition in the mines. As a result of cut-throat competition to secure trade, every cost bearing on the industry was reduced to bed-rock, and the employees were unable to procure the necessities of life. Since that could be brought about from internal causes, the same might happen because of external pressure. If we permit foreign countries to overwhelm us with their favoured competition, we shall be guilty of a great national wrong. Now is the time to erect an adequate barrier.

Mr. GREGORY.—I asked last night why you had waited so long, namely, from 1914 until the present moment, before proposing to do so.

Mr. Charlton.

Mr. CHARLTON.—There was no need to suggest the building of the barrier during the war years. All the protection that Australia's industries could have asked was being effectively provided by German submarines. But the position has altogether changed. The honorable member for Dampier (Mr. Gregory) is as keen as any other honorable member. He knows what is happening abroad, and must see that if we do not raise an effective wall there will be a general falling away in the conditions of life among our people.

Mr. GREGORY.—I think that in the interests of the people there must be more competition and higher development of our industries.

Mr. CHARLTON.—If we intend to become a self-contained nation, we must foster our basic industries. Are we doing so? Conditions to-day are different from those of even fifteen months ago, when the existing Tariff was imposed. The Minister then decided upon the rates set out in the schedule because he had at heart, apparently, the welfare of Australia's industries. Has his attitude changed? Should we not endeavour to meet the situation as it exists to-day? I have no special brief for the Broken Hill Proprietary Company, but it has sought to do a fair thing. The fact that it refused to accept the bounty furnishes proof of that. It demonstrates that the firm was doing all right, and wanted no help by way of a bounty. Now, however, it is faced by an invasion of exploiters from all over the world. Are we going to let this Australian enterprise be killed, or shall we protect it as it should be protected? In speaking so, I am not standing up merely for the company, but for Australia, and the people of Australia. If the Minister cannot see his way clear at this moment to grant further increases in the rates of duty, why should he not defer the discussion? If he will agree to do so, I am certain that the pressure upon the industry from outside will have become so acute as to make the danger apparent to all. I believe that if the Minister were now to consent to pass on to other features of the schedule, and let time argue with him, he would eventually concede something reasonable. But if we are to be met



with a blank refusal, it will mean an indefinite prolongation of the fight. If the amendment is defeated, I shall move another. This schedule will not be done with in a few weeks. The Prime Minister will have returned before we are through with it, if the Government do not agree to a fair thing.

Mr. GREGORY.—The honorable member will get nowhere by that kind of talk.

Mr. CHARLTON.—I would impress upon the honorable member, and the Government, that we are in earnest.

Mr. CORSER.—The honorable member and his colleagues show no respect for the views of the majority.

Mr. CHARLTON.—Such is our respect that we intend to carry on until we shall have converted a majority to the correct view. I perceive that there are certain honorable members who are sympathetic, and who would agree to the adequate protection of Australia's great industry; but since the Government have taken a certain stand, they are content to sink their own opinions and range themselves behind the Minister.

Mr. CORSER.—You want your own way, and imagine that nobody else has a right to his. The Government have done a fair thing.

Mr. CHARLTON.—Up to the present we have been very quiet. We have assisted the Government with the various items of the schedule.

Mr. FOLEY.—Because you got all you wanted.

Mr. CHARLTON.—We have asked for nothing. We have got nothing. The only people who have got anything for which they have asked are the honorable members in the Corner. I again appeal to the Minister to do the fair thing, and postpone further consideration of the item under discussion.

Mr. LAVELLE (Calare) [6.3].—I congratulate the honorable member for Hunter (Mr. Charlton) upon his speech and upon the earnestness of his arguments. I regret, however, that I cannot agree with him, and do not intend to vote as he desires that a majority of the Committee should do. Repugnant as it is to me to range myself, even in division, with the Government and with the representatives of the "Foreign Country party" established in the Corner, I intend to cast my vote against the amend-

ment of the honorable member for Newcastle (Mr. Watkins). I believe in the adequate protection of every Australian industry. It is high time we put an end to the bad old practice of producing our own raw material, exporting it overseas to have it made up into the finished article, and importing it back here for retail sale and consumption among its own original producers. We should rear a sufficiently high Tariff wall to enable Australia to become truly self-contained and self-sustained. I cannot go so far, however, as to support the amendment. The degree of protection granted under the schedule is ample. The honorable member for Maribyrnong (Mr. Fenton) placed his finger upon the weak spot in his own argument when he remarked that it was impossible to dissociate steel from the well-being of the Australian nation. If the amendment is carried, it will be found that we have forced up the cost of the raw material so high that it will be impossible for subsidiary industries to carry on. I repeat that I find it unpleasant to be compelled, for the first time, to vote for the Government against my colleagues.

Mr. MATHEWS.—In other words, you are disinfecting yourself.

Mr. LAVELLE.—I do not have to declare that I am no supporter of the Government. Yet, if the Government introduce any measure, or take any action, which is in accord with my own views and principles, I am bound, in the circumstances, to support them.

Dr. EARLE PAGE (Cowper) [6.8].—In the course of the first speech which I made upon the Tariff I stated that the Country party was prepared to support any reasonable endeavour to maintain the industries of Australia. And, in spite of the jibes and aspersions hurled at us—including the reference to the "Foreign Country party"—honorable members in this corner have done their best to keep up some of the duties, at any rate.

Mr. WATKINS.—Hear, hear! Bananas and onions.

Dr. EARLE PAGE.—But we have never received any kudos for our efforts. On the present occasion I shall be satisfied to follow the lead of the Minister (Mr. Greene). No one has suggested that he is a low Protectionist, or a "foreign country" man, or a Free Trader. I

regret to note the trend of the discussions in Committee at the present stage. There should be no obstructionist tactics in an effort to secure something which is beyond the necessities of the situation. The fight which is now going on is not for the purpose of protecting our iron and steel industry, but is an endeavour to prevent any possible reduction in wages, however necessary that course may be by reason of the general decline in the price of raw products, and which decline—it should not be overlooked—must materially affect the cost of living. The prices of raw products in all directions are now approximating to pre-war rates; and everybody would be better off if wages also were, at the same time, tending to pre-war standards. It seems absurd to suggest the erection of what might be termed a Chinese wall to prevent the importation of foreign goods in one industry merely because conditions abroad differ considerably from those prevailing in Australia at present. If we were similarly protecting every industry, the proposition might have my support.

Mr. WATKINS.—You were prepared to protect the banana industry.

Dr. EARLE PAGE.—That is so, but we are now being asked to impose a heavier duty than was found necessary in Canada, adjoining the United States of America, with its huge steel works. Distance gives us a natural protection.

Mr. WATKINS.—The proposed duty is not higher than it was in Canada when they commenced operations.

Dr. EARLE PAGE.—They began with a bounty.

Mr. WATKINS.—But duties were added later.

Mr. CHARLTON.—There is no natural protection. It costs more to bring timber from the honorable member's district than it does to import it from America.

Dr. EARLE PAGE.—We are not dealing with the timber industry at present; but iron has to be brought thousands of miles. There are other means of protecting this industry than by high protective duties, and one is by giving careful consideration to the question of power. It is remarkable that the Broken Hill Proprietary Company, who are producing the bulk of the steel, are not asking for this protection.

Mr. WATKINS.—Are they not?

Dr. EARLE PAGE.—They have not asked for it unless it has been within the last few days.

Mr. GREGORY.—The Minister admitted it only yesterday.

Dr. EARLE PAGE.—If the Broken Hill Proprietary Company, through their representatives in this Chamber, are asking for the imposition of higher duties, they are guilty of a gross breach of faith with their customers, because on the 4th April of this year they notified their customers throughout the Commonwealth that they would be unable to meet the legal requirements of iron and steel owing to a strike. It seems remarkable that the company should have requested their customers to purchase abroad, and at the same time have asked for increased duties, because they must have known that if the rates were increased those who had purchased abroad would have to pay additional duties. In the *Hardware and Machinery Journal* of 4th April, 1921, the following statement appears:—

The Broken Hill Pty. Co. have advised the trade that no new contracts will be accepted during the next six months. Buyers wanting to effect forward contracts should look to overseas sources.

According to a letter written this month, this company is still unable to meet our requirements. The letter reads—

I confirm my advice that various merchants have placed with us since the notification from the Broken Hill Co. indent orders for steel material totalling approximately 2,500 tons. I know of considerable other business placed through other houses, and estimate that at least 7,000 tons of steel have been ordered for Melbourne and Adelaide alone. Very little of this has arrived yet, although large quantities are now on the water. If the Ministry's proposal to increase the duty is carried, merchants and users here will be penalized. It was not until after they had obtained assurances from the Broken Hill Co. that they placed orders for indent.

When one analyzes the position and considers the request that has been made for higher duties, really to enable increased wages to be paid, it is worth while comparing the pre-war prices of certain articles with those ruling to-day. The pre-war and present prices show this difference—rails, £8 16s, £17 15s.; fish-plates, £11 2s., £21 15s.; fish-bolts, £21 6s., £56 10s.



Mr. CHARLTON.—Why does not the honorable member quote the British prices for the same period?

Dr. EARLE PAGE.—The increase in price is more than equivalent to the total increase in wages during that period. The Inter-State Commission, when it dealt with this matter in 1916, pointed out that any basic industry protected by duties, and which supplies raw materials to secondary industries, involves a very heavy burden, not only on the secondary industries associated with it, but on the whole community. The Inter-State Commission recommended a general duty of 17s. 6d. and a British preferential rate of 12s. 6d. High duties seriously affect secondary industries, as will be seen from a letter I have received from an engineer in Ballarat, who is constructing  $6\frac{1}{2}$  horse-power engines. These small industries should be encouraged throughout the Commonwealth, because it has already been admitted that their establishment means a proper distribution of population and the creation of local markets. The Minister for Trade and Customs (Mr. Greene) emphasized the point that the main object of the Tariff was to assist decentralization. But what is occurring? The manufacturer to whom I have referred points out that the prices of the materials used in the manufacture of his engines have increased in this way: Cast-iron, which cost £4 to £5 per ton, is at present £13 per ton. Steel channels have increased from £12 to £38 per ton, and bar-steel from £10 to £30 per ton. Bright shafting, which cost £17 per ton before the war, is now being sold at £56 per ton. This manufacturer uses about 30 cwt. of iron in a  $6\frac{1}{2}$ -horse-power engine. These figures represent an increase in price of £1 per cwt., and a direct tax on this little engine of £30.

Mr. FENTON.—What is the duty on such engines?

Dr. EARLE PAGE.—We have not yet dealt with the duty upon engines, but I have no doubt that when we do so this manufacturer will be content if his industry is treated in a reasonable way. When such a burden as I have indicated is placed upon a subsidiary industry, when the people concerned in the iron and steel industry have not protested against the Tariff under which they have

been working for nearly eighteen months, and when there is no opposition to it in the Committee, I cannot account for the amendment.

Mr. WATKINS.—The honorable member's party is opposed to the Tariff as introduced by the Minister.

Dr. EARLE PAGE.—I do not think so.

Mr. WATKINS.—We have been told that they intend to move for a reduction of the proposed duty.

Dr. EARLE PAGE.—It is true that the Country party desire a slight alteration of the duty in the British preferential column, but they are not opposed to the duties proposed in the intermediate and general columns. I do not see why, in the circumstances, these duties should be raised 50 per cent. and the secondary industries using steel and iron penalized, as they must be if these duties are increased. It has been suggested that this is the proper way in which to deal with this matter and the way in which it has been dealt with in other countries. I find that in Canada the policy adopted was to give a bounty of \$1 to \$3 per ton on iron from 1883 up to 1910, during which time the production increased from 526,000 tons to 740,000 tons. From that time there was a duty imposed in Canada of 8s. 9d. in the British preferential Tariff and 14s. 2d. in their intermediate and general Tariff. The output of the industry increased in the next three years to 1,128,000 tons. I am inclined to dispute the statement that wages are very much higher in Australia than in Canada or America, and I have to inform honorable members that, with the experience to which I have referred, the Canadian Parliament, in 1919, proposed that—

Rolled iron or steel hoop, band, scroll or strip, number fourteen gauge and thinner, and rolled iron or steel sheet, when imported by manufacturers for use only in their own factories in the manufacture of galvanized iron or steel hoop, band, scroll, strip or sheet—should be admitted free.

Mr. GREGORY.—Free from any country?

Dr. EARLE PAGE.—Yes, free from any country. Surely it is worth our while to accept the protection offered by the Minister for Trade and Customs in view of the fact that, under our Tariff, so far, the steel and iron industry here has reached its present prosperity. The Broken Hill Company has had a series of

successful years, and we might give the duties proposed by the Minister a trial before deciding to penalize the secondary industries using steel and iron. It seems to me that the time has come when we should not only build up industries by putting Tariff walls around them, but should also rather try to improve our methods by more economical management, and by making proper use of all the power available. I understand that in the Newcastle district there are ten or eleven power plants, each one of which has a horse-power production almost double what would be necessary if one central power plant were established, which could provide all the power necessary at the Newcastle works at the present time. Sir Arnold Gridley, when in Australia last year, told me that in England it was proposed to adopt means of this kind. He said that by concentration and co-ordinating power plants, using sixteen central plants instead of 643 overlapping plants in use at the present time, they expect to save the consumption of 100,000,000 tons of coal in England this year, and by that means rehabilitate the whole of the British manufacturing enterprises. This concentration of power is a factor of future development which should be given consideration. Certain honorable members have talked of holding up the Committee for weeks on end because others do not see eye to eye with them in connexion with these duties, but if that course were to be adopted in connexion with every proposal submitted, we might be in session for ten or twelve years if an election did not intervene.

**Mr. WATKINS** (Newcastle) [6.27].—I do not propose to say very much more on this item. The discussion upon it has shown that there is a determination on the part of the Government and of the Country party to frame this Tariff entirely in the interest of people on the land.

**Mr. LAVELLE**.—The honorable member should take a broader view, and should not think only of the Newcastle steel works.

**Mr. WATKINS**.—I say this because of the way in which the Tariff has so far been dealt with. Every increase of duty that has been accepted has been for the benefit of industries which honorable members of the Country party desire to protect. The honorable member for

Cowper (Dr. Earle Page) had not the advantage of hearing the previous discussion of this item, or he would not have made the speech to which we have just listened. He gave us a little lecture on the operations of the industry in my electorate, and suggested what might be done by a concentration of electric power and economic management all round. He told us that he is satisfied with the duties proposed by the Minister, and considers them ample to enable the industry to be carried on successfully.

*Sitting suspended from 6.30 to 8 p.m.*

**Mr. WATKINS**.—Notwithstanding the diversity of the opinions expressed in this debate, I think that honorable members generally are prepared to do the fair thing by what is the national industry of Australia. I have drawn attention to the fact that practically all the increases of duties that have been approved so far have been in connexion with items protecting primary production. I agreed to those increases because I am at all times willing to assist the man on the land, and I see no force at all in the contention that to increase the duties on pig iron for the protection of the iron and steel industry will prejudice primary producers. It is on that point that we who support the amendment are at issue with the members of the Country party. The Minister (Mr. Greene) told us that he will take steps to rectify the position caused by unfavorable exchanges; but, as I have said before, this cannot be done by increasing duties, and my claim for the proposed increases is based on other grounds. I have stated that conditions have altered so materially since the Tariff was brought down that the rates proposed in it are of almost no effect on many items, and give absolutely no protection on many more, and I have produced figures to support that statement; yet it is glibly said that no case has been made out for the amendment. Had conditions not so altered, I would not ask for increases. At the present time there is unemployment in one of the subsidiary industries coming within this division of the Tariff, and the competition of so-called Belgian steel, which I believe to be of German origin, is such that in tendering for contracts the Broken Hill Proprietary Company has, within the



last few weeks, been beaten both in Australia and in New Zealand. Is there any industry more entitled to protection than the iron and steel industry, which is the biggest in the country? Members have voted for an increase of 500 per cent. in the duties on some of the items of the Tariff, and now will not vote for an increase of 50 per cent. to make effective rates which at the present time give practically no protection at all. I have no desire to establish monopolies in Australia. I do not know a shareholder in the Broken Hill Company, and all I know of Messrs. Hoskins Brothers' concern is that it is a very big organization. I have always felt that the iron and steel industry cannot be established in this country unless as a Government enterprise, or by a company strong enough to meet the financial strain of the enterprise. None of the amendments to which the Minister has agreed have had the support which is being extended to the proposal I have put before the Committee, yet the Government will make no concessions. There was hope a day or two ago that some relief might be given, but now we are asked to be content with the promise of the Acting Prime Minister (Sir Joseph Cook) that something will be done in the future. I do not know whether the "whip" has been used, but certainly a change has come over the scene. The honorable member for Dampier (Mr. Gregory) admits that the iron and steel industry employs between 30,000 and 40,000 persons, directly and indirectly.

Mr. GREGORY.—The proposed increases of duties will prejudicially affect those indirectly connected with the industry.

Mr. WATKINS.—How can that be so? The increases will benefit them. Because, at the time of the stewards' strike, the Broken Hill Proprietary Company notified its clients throughout Australia that, as it was not able to get supplies, and saw no probability of getting them within a reasonable time, they should buy what they wanted where they could get it, the Leader of the Country party (Dr. Earle Page) has suggested that the company was not in a position to meet the requirements of Australia under normal conditions.

Mr. GREGORY.—His argument was that the duties should not be increased for a couple of months to come, because of the shipments now on the water that were ordered under those circumstances.

Mr. CHARLTON.—We are prepared to hold off for three months.

Mr. WATKINS.—Yes. What the company did was done with a view to helping its clients at a time of trouble; its action on that occasion is no evidence that in normal times it could not supply their wants. I am with the Minister in desiring to prevent dumping, and hail with satisfaction his statement that he intends to prevent it. It is not the fear of dumping which necessitates action along the lines which I have indicated, but the fact that the existing duty is practically inoperative, and that during the past few weeks our own manufacturers have been beaten for contracts upon ordinary commercial lines by importations from overseas. Of course, the Acting Prime Minister has pointed out that all companies must be unsuccessful in their tenders from time to time. I admit that, but I deny that it is a fair thing for the head of a Protectionist Government to argue that our manufacturers, when they tender at bedrock prices, should be beaten by manufacturers overseas.

Mr. FOLEY.—The difference in freight along our coast was almost the difference between the British and Broken Hill prices.

Mr. WATKINS.—The interjection of the honorable member for Kalgoorlie illustrates the urgent need which exists for the increased duty for which I am asking. The honorable member has supplied me with a very potent reason why an increased duty should be levied upon pig iron to protect the industry in Australia. Why have we sought protection for any of our industries? Need I remind honorable members that very frequently pig iron comes to Australia as shipping ballast, and thereby pays no freight whatever? We all know that this particular commodity can be obtained cheaper abroad. But during the war period there would have been financial chaos in this country had not the iron and steel industry here sold its products to our people at less than half the price at which they could have been purchased abroad. Nearly

the whole of the transcontinental railway line was built of Australian steel.

Mr. FOLEY.—Not nearly the whole of it.

Mr. WATKINS.—Yes. I was under the impression that honorable members would be proud of the fact that we had reached that stage when we could practically build the transcontinental line out of ores produced in the Commonwealth, and at a price which showed that our manufacturers did not take advantage of the abnormal conditions which prevailed at the time of its construction. We have been told that the increased duty proposed would penalize the men upon the land.

Dr. EARLE PAGE.—It was the secondary industries to which we chiefly referred.

Mr. WATKINS.—I do not believe that an increased measure of protection would make agricultural implements, such as harvesters, any dearer than they are to-day. But, even if it is so, the purchasers of those implements would pay the duty only once in perhaps twenty years, whereas we have already levied imposts upon articles upon which the great mass of the people will have to pay duty every day of the year. I ask the members of the Country party to realize that if our primary industries are to be granted fair conditions, equal consideration should be meted out to those other industries in this country which employ quite as many workers as they do. The iron and steel industry has already been established at two places in one State, and I hope, in the near future, to see it established by the State Government in Queensland. In view of what has been done, I submit that we have no right to jeopardize the future of the industry by permitting competition from outside. Do my honorable friends in the Country party imagine that if our Australian industries were completely wiped out they would be able to purchase agricultural machinery from the Trusts, which we cannot control, in other parts of the world any cheaper than it can be purchased to-day? Why, we should then occupy a position ten times worse than we shall do if we offer every legitimate encouragement to the genuine industries of this country. I have endeavoured to explain the position which obtains in my own electorate, where men are in need of work and cannot get it. I am anxious to see that the

condition of the 30,000 or 40,000 people who are interested in the iron and steel works there is not made worse by importations from abroad. I have always stood for the best conditions procurable for the working men of Australia. But I recognise that it is unreasonable to expect any employer to grant them those conditions if we allow him to be robbed on the local market by cheap importations from overseas. Believing that there is a real need for the increased duty which I have proposed in order that this particular industry may be kept going, I ask the Minister to reconsider his decision and to afford it the relief which I seek. His speeches have clearly expressed his anxiety to do all that he can for Australian industries, and yet for some inexplicable reason he will not consent to the proposed increase of duty in respect of this item, which will largely govern the duties which will be levied upon succeeding items. In order that justice may be done to the thousands of men who are interested in the industries, I ask him to agree to my amendment.

Mr. RYAN (West Sydney) [8.28].—I rise at this late stage to appeal to the Minister (Mr. Greene) to adopt a more reasonable attitude towards the amendment. I know that this question has been debated very fully from both sides of the Chamber, and certainly the Minister has been afforded every opportunity to fully appreciate the arguments which have been submitted in support of the proposal of the honorable member for Newcastle (Mr. Watkins). From a perusal of the Minister's speech in *Hansard*, I, too, have arrived at the conclusion that the Minister himself is really in favour of the amendment.

Mr. GREENE.—I do not think that the honorable member could gather that impression from a perusal of my remarks, though they certainly show that I recognise the importance of the industry and the necessity which exists for maintaining it.

Mr. RYAN.—I thank the Minister for his interjection. Possibly I may be wrong in the conclusion at which I had arrived, but his speech certainly conveyed to me, not merely the impression that he realized the importance of the industry, but that he was personally in



favour of the amendment of the honorable member for Newcastle, which has been so ably supported by other honorable members. In saying that, I do not wish in any way to detract from the very able and cogent arguments in the same direction which have been used by some of my honorable friends opposite. I rise now not to make a long speech, but to appeal to the Minister to take a reasonable attitude upon this question. I have no fault to find with his statement of the issue. The question he says, is whether the duty proposed in the schedule is adequate. A large portion of the debate, however, has not been directed to that issue. I have listened to irrelevancies, coming, particularly, from some of my honorable friends of the Country party, dealing with all sorts of things except the real issue before the Committee. I am pleased to see the Leader of the Country party (Dr. Earle Page) in his place.

Mr. CHARLTON.—He is more interested in bananas than steel.

Mr. RYAN.—Still, I know that he is of a very high order of intelligence, and I should like to hear his views upon this very important question.

Dr. EARLE PAGE.—I spoke just before we adjourned for dinner.

Mr. RYAN.—I regret that I was absent; it is my loss. I take it that in dealing with the question of whether the existing duty is adequate, what we have to consider is, "Is the duty set out in the Tariff, and supported, up to the present, by the Minister, such as will enable the steel works in Australia to be fully and profitably employed in supplying the complete requirements of the Commonwealth?" Is it sufficient to do that?

Mr. GREENE.—I believe it is.

Mr. RYAN.—I hear from my honorable friends on this side, who, I am sure, are in possession of all the evidence on the subject, that it is not so. I have listened to the able and eloquent appeals of the honorable member for Newcastle, in which he has referred to large numbers of men in his constituency who are unable to obtain employment, or are threatened with unemployment in the near future, because the Minister refuses to give that meed of protection which, it is contended, is necessary.

Mr. HECTOR LAMOND.—We must not lose sight of the fact that in this same industry in the competing countries there are far more men unemployed.

Mr. RYAN.—I do not know what attitude the honorable member takes up.

Mr. HECTOR LAMOND.—I am prepared to give the industry adequate protection, but not such protection as will enable it to profiteer in Australia.

Mr. RYAN.—Does the honorable member suggest that the increased duty proposed by the honorable member for Newcastle would prove to be more than adequate protection?

Mr. HECTOR LAMOND.—I think it would.

Mr. RYAN.—I should like to hear the honorable member's reasons for that view. I am prepared to give every honorable member credit for his views, but we are dealing now in a non-party manner with a very important question, and it behoves us to put forward the grounds upon which we come to a conclusion such as that just stated by the honorable member for Illawarra. It may be that he has given his reasons to the Committee. I have not had an opportunity of hearing them.

Mr. HECTOR LAMOND.—I think that upon those who ask for the increased duty there is cast the onus of showing that it is necessary.

Mr. RYAN.—That may be, but I do not think it is quite a question of onus. We may conclude that the onus is not upon any particular party.

Mr. HECTOR LAMOND.—Not upon a party.

Mr. RYAN.—By party I mean the honorable member proposing the increase. The onus should be upon the Minister to show that the duty that he proposes is sufficient to enable this great key industry of the Commonwealth to be developed to its fullest extent. After all, we are here actuated only by patriotic motives—by a desire to develop this vast continent as a great self-contained nation. If we are not here for that purpose, then we have failed utterly to learn the lessons of the war.

Mr. HECTOR LAMOND.—But if, in attempting to help one industry, we place an undue burden upon others, we shall also fail in our duty.

Mr. RYAN.—I do not propose to do that. I do not subscribe to the arguments of those in this chamber who say, "What does it matter if another £1 per ton is put upon galvanized iron? It will not make much difference in the cost of a house." I am not arguing from that stand-point. My contention is that if we impose a duty which is sufficient to develop these great secondary industries, in the final analysis the sum total of advantage to the individual who buys that galvanized iron is more than the additional cost which he pays for it. That is to say, as an individual in the community—considering the community as a whole—the preponderance of advantage to him is greater than the actual additional price that he may have to pay for the particular article. Does my honorable friend object to my statement of the case?

Mr. HECTOR LAMOND.—No; I agree with it.

Mr. RYAN.—Then we come down to the question of whether or not this duty is required in order to enable that development to take place. My honorable friends of the Country party will not suggest that it is the intention of any one who is advocating this increased duty to damage any section of the community.

Mr. STEWART.—The increase might have that effect.

Mr. RYAN.—That is all a matter of inference. Will my honorable friend admit that we must have secondary industries in this country?

Dr. EARLE PAGE.—We have proved in our speeches that an increased price for this commodity would damage secondary industries.

Mr. RYAN.—It may be one of those half proofs. You may have to pay a little more for the thing that you require, but the sum total of advantage to you as an individual in the community is greater than the additional amount you have to pay for that particular thing.

Dr. EARLE PAGE.—We suggest what the Inter-State Commission suggested was the proper way of dealing with a basic industry—that we should deal with it by way of bounty.

Mr. RYAN.—I am not borrowing phrases from the Inter-State Commission.

Mr. GREENE.—And the Inter-State Commission did not make that statement.

Mr. RYAN.—I thank the Minister for his interjection. Does the Leader of the Country party suggest that if this duty is raised the primary producers will be damnified out of proportion to the advantage which they will reap as members of the whole community? My honorable friend is silent.

Mr. ROBERT COOK.—If the honorable member had heard his speech, he would not have asked such a silly question.

Mr. RYAN.—The honorable member for Indi (Mr. Robert Cook) may leave his Leader to answer for himself. I want it to be clearly understood that I will not take second place to my honorable friends of the Country party, or any one else, in my desire to benefit the primary producers. I have always said that, both here and in another place. I believe that it is essential to the welfare as well as to the development of the country as a great self-contained community that the interests of the primary producers shall be adequately protected. They must, however, obtain their manufactured articles somewhere, and the only question is as to whether they are to obtain them in this country, where they have been made by our own workmen, or get them from abroad. If they are obtained from our Australian workmen, we shall build up a great local market, which, after all, is the best of all markets for our primary producers.

Mr. CORSER.—The honorable member is forgetting the subsidiary interests, which are quite as large as those of this basic industry.

Mr. RYAN.—I am trying to look at the interests of the community as a whole, and I should fail in my duty as a member of this Parliament, if I voted for one section to the detriment of another.

Mr. CORSER.—What guarantee can the honorable member give us that we shall get additional protection for all the subsidiary industries? Every foundry in Australia would be affected by this proposed increased duty, and there are more men employed in our foundries than are engaged in the Broken Hill iron and steel works.

Mr. RYAN.—The raising of this duty will not close up those foundries.

Mr. CORSER.—I do not know that it will not have that effect.

Mr. RYAN.—I have heard no evidence that it will. If any honorable



member can show me that the carrying of the amendment would result in the closing up of foundries and other subsidiary industries, I will listen to him.

Mr. HECTOR LAMOND.—It is stated that the price of iron in Australia to-day is 300 per cent. above the pre-war price. Is the honorable member prepared to increase the duty so that that price may be continued?

Mr. RYAN.—I am now addressing myself to the amendment proposed by the honorable member for Newcastle, and the very cogent arguments that he adduced.

Mr. HECTOR LAMOND.—His arguments were directed to show that, in order to maintain the present price, this increased duty is necessary.

Mr. RYAN.—I take it that it is in order to maintain the industry, and to secure to those engaged in it suitable labour and wage conditions. I have heard quite a number of irrelevant arguments. I have heard the gibe thrown across the floor of this chamber that the Labour party are supporting the Broken Hill Proprietary Company.

Mr. STEWART.—I have heard the Labour party say some very unkind things about the company.

Mr. RYAN.—Very likely. That only goes to show how impartial the Labour party are on this question.

Mr. STEWART.—It goes to show that the Labour party can, if necessary, trim their sails.

Mr. RYAN.—No. I am prepared to criticise the Broken Hill Proprietary Company, or any other corporation, if I think they are doing wrong. In such circumstances, I will attack and expose them.

Mr. HECTOR LAMOND.—That is one of the advantages of having them here instead of getting supplies from overseas.

Mr. RYAN.—Exactly. We have them here under our control. I am not going to be deterred from doing what I conceive to be my duty by the gibe that this proposed increase is to promote the interests of some large corporation or company. Have I not heard honorable members of the Country party say from public platforms that there ought to be a better understanding between labour and capital—that labour and capital should co-operate? Yet now the gibe is thrown at us that, because labour is co-operating with capital, we are not acting in the in-

terests of the country. This is not a question of some big corporation, but a question of the welfare of Australia itself. I have had too much experience of the judgment of the people of Australia to believe that they are going to give any weight to a suggestion that we are acting in the interests of a great corporation. It is not a question of trusts and combines. There are trusts and combines overseas, in America and on the Continent of Europe. Do honorable members opposite wish to buy from those distant combines over whom we have no control? The fact is that a vast amount of irrelevancy has been imported into the argument. If the Broken Hill Proprietary Company are carrying on their business without giving the community and their customers a fair deal, if they are building up a trust or combine, it is the duty of the Minister (Mr. Greene) to take steps to counteract their action. The honorable gentleman says he proposes to take such steps, and I understand that he thinks he has power to do so.

Mr. GREENE.—We have power to take the duty away.

Mr. RYAN.—You have more power than that.

Mr. GREGORY.—The iron and steel corporation are absolutely in control now in Melbourne.

Mr. RYAN.—The remedy for that sort of thing is not to remove the duty and so render it impossible for the industry to be profitably carried on in this country. This can only drive the trust or combine overseas, and leave it at liberty to send its products here all the same, with the result that we shall lose our own market and the country will suffer.

Mr. HECTOR LAMOND.—And we shall have to buy at a highly increased cost.

Mr. RYAN.—Quite so. I may say that I speak under great difficulty, having been suffering from a severe cold for quite a month. Otherwise, I should have taken a more active part in the debate; but I could not allow this occasion to pass without making an effort, in conjunction with my colleagues who have fought here so ably, determinedly, and reasonably. For they have fought reasonably. There has been no threatening or

domineering, no overweening attitude; on the contrary, the Minister has rather been appealed to to take a reasonable position. The honorable gentleman said that if honorable members would let this item pass, they could raise the question again on the general Tariff. What did he mean by that? Surely he meant something? Surely it implied that he was prepared to give reasonable consideration to the matter if it was raised on the general Tariff? But he has given us no assurance that even he himself will exercise the great influence he undoubtedly possesses with his party to induce them to agree to the raising of the general Tariff. Will he give us any such assurance?

Mr. GREENE.—No.

Mr. RYAN.—Will the honorable member give me an assurance that he will seriously consider the matter?

Mr. GREENE.—I have given it every consideration.

Mr. RYAN.—Does that mean that the doors are closed to any further consideration, even of the general Tariff?

Mr. GREENE.—I am afraid it does, so far as I am concerned.

Mr. RYAN.—The honorable gentleman does not say that very emphatically, and I am sure there is still hope. If some of my honorable friends opposite, who are in better voice than myself, will place their views before the Committee, they will probably have more influence with the Minister than I have. Has the honorable member for Darwin (Mr. Bell), for example, put his views on the matter?

Mr. BELL.—I have, indeed!

Mr. RYAN.—I have not heard the honorable member for Wide Bay (Mr. Corser). Will he be good enough to argue the matter? May we hope to again hear the honorable member for Adelaide (Mr. Blundell) or the honorable member for Fremantle (Mr. Burchell)? I have received no assurance that we shall have the pleasure of listening to any honorable member behind the Minister in support of the motion of the honorable member for Newcastle, though, perhaps, we may hear some of our honorable friends in the Corner with some arguments against the amendment.

Mr. STEWART.—You will, if you can, show us that under the present Tariff

this "infant, struggling" industry cannot carry on. There has not been one argument to show that the industry cannot be conducted under present conditions.

Mr. RYAN.—Have we not listened during the last few days, over and over again, to clear, convincing, and repeated arguments from honorable members on this side to the effect that conditions have so changed since the Tariff was imposed that, comparatively, it is practically equivalent to no Tariff at all.

Mr. BELL.—You cannot say that!

Mr. WATKINS.—The effect of the Tariff has been entirely obliterated in some instances.

Mr. RYAN.—Is that statement by the honorable member for Newcastle (Mr. Watkins) denied?

Mr. GREGORY.—It is perfectly clear that there was no justification for the duty when it was put on.

Mr. RYAN.—Then why was it put on? Does the Minister say there was no justification for it?

Mr. GREENE.—There was not a cent of it required at that time.

Mr. RYAN.—The Minister agrees that there was no justification for putting the duty on.

Mr. GREENE.—No, I do not.

Mr. RYAN.—If there was no justification for the duty, the Committee should have been told.

Mr. GREENE.—I have told the Committee three or four times.

Mr. RYAN.—In any event, the honorable member for Newcastle and the honorable member for Hunter (Mr. Charlton), who have spoken mostly on the question, based their position on the argument that conditions have changed within the last eight months; indeed, they have gone further and contended that if this were a new question, now raised for the first time, the duties proposed in the amendment are required in order to properly develop the industry. I believe that the honorable member for Dampier (Mr. Gregory) proposes to move a reduction of the duty.

Mr. GREGORY.—Only in the case of the British duty.

Mr. RYAN.—Then ought not the honorable member to place the whole of his reasons for this proposed amendment before the Committee? There



seems to be a general protest from honorable members on all sides against my invitation to the honorable member for Dampier, but I do not share their view. I would listen with the greatest pleasure to the honorable member, and promise to keep an open mind. If he can furnish cogent and convincing reasons why this duty should not be raised, or, moreover, why it should be lowered, I shall maintain an open mind as to how I shall cast my vote. But, at the present time, there is an overwhelming preponderance of evidence in favour of the amendment that has been moved from this side. I hope that, even at this late stage, the Minister will reconsider his position, and give us an assurance that the door is not closed to any proposal for raising the general Tariff. I do not intend to delay the Committee any further at this stage, but I trust that some honorable members opposite will advance reasons such as I have asked for, in order that we may further discuss the question.

**MR. GREENE** (Richmond—Minister for Trade and Customs) [8.58].—I make one further appeal to the Committee to come to a vote. I do not propose to go over the whole ground again. I have covered it on several occasions already. The honorable member for Newcastle (Mr. Watkins) complains that there are certain men out of work in his constituency, and says that their idleness is because of the inadequacy of the duty. That is not the reason for the unemployment. I know what the real reason is, and it arises from circumstances which I desire to see put right at the first possible moment. I suggest to the honorable member that every hour we spend unnecessarily over this item postpones the time when we can deal with the unemployment matter.

**MR. RYAN**.—Let us hope the time is not unnecessarily spent.

**MR. GREENE**.—I simply state the broad fact that every hour we spend unnecessarily debating this item postpones the period when we can deal with the real root cause of the unemployment in the Newcastle constituency. I know all about that unemployment, and I am only too anxious to put an end to it at the earliest moment.

**MR. BRENNAN**.—What is the real cause of the unemployment?

**MR. GREENE**.—The real cause arises out of the exchange position.

**MR. BRENNAN**.—That is too indefinite for me!

**MR. GREENE**.—The honorable member for Newcastle (Mr. Watkins) has said that the onus is on the Government to show that the duties in the schedule are adequate. I believe the duties to be adequate, and I shall tell the Committee why. In the first year of the war—1914-15—we imported 51,189 tons of pig iron, and the average price was £3 8s. If honorable members take the trouble to work the figures out, they will find that the duties proposed mean 29 per cent. United Kingdom rate, and 59 per cent., practically, general rate. I do not suppose we shall see pig iron sold at that price again.

**MR. WATKINS**.—The Tariff was not in force then.

**MR. GREENE**.—Of course, it was not in force. I am simply giving what the rates in this Tariff represent approximately on the pre-war values of pig iron. Even though we shall probably never see those values again, these duties do represent on that raw product of many subsidiary industries probably one of the highest rates in the whole Tariff on the base material of any industry.

**MR. FENTON**.—What is the price of imported pig iron to-day? That is the question.

**MR. GREENE**.—About £8 per ton.

**MR. FENTON**.—Then base your percentage duties on that and not on the pre-war price.

**MR. GREENE**.—I do not think we are going to see pig iron remain at £8 per ton indefinitely, nor do I think it is necessary to have that price to keep the industry going on thoroughly sound lines in Australia. I believe the duties we have laid down in this schedule are adequate. They are those to which we gave in the preparation of the Tariff, perhaps, more detailed consideration and thought than to any other series of duties in the whole schedule, because we recognised the basic nature of the industry and its tremendous importance from a national point of view in whatever way and from whatever stand-point it was considered. It was because of our desire to see the industry established on a thoroughly sound basis that we fixed the rates set out in the schedule.

The Acting Prime Minister (Sir Joseph Cook) to-day pointed out that not only are we proposing these duties, but we also propose to make provision against direct dumping. We propose to make provision against dumping caused through the extraordinary position of the international exchanges. Further than that, the Acting Prime Minister gave the Committee a definite pledge and undertaking that if, after these duties are passed in the Tariff, and after we have had experience enabling us to ascertain definitely whether or not the provision made is adequate from every conceivable stand-point, we find that it is not, then the Government will bring down a further schedule of duties in connexion with these items.

Mr. FENTON.—He said "instantly."

Mr. GREENE.—At once; that is, when we have definitely ascertained what the position is. If there is adequate proof, then, that these duties are insufficient, the Government have given to the Committee that definite pledge of what they will do. I appeal to the honorable member for Newcastle (Mr. Watkins) and those who have fought with him to obtain this increase to recognise, in view of all these circumstances, that they have secured from the Government such pledges for the future of this industry as can leave no reasonable doubt in their minds that the Government are just as anxious as they are to see the industry definitely established on proper lines and maintained in this country for all time. Seeing that we have given that pledge, I appeal to the Committee to come to a vote now and let us proceed with the business.

Mr. McWILLIAMS (Franklin) [9.4].—I am one of those who were in the House when we had the first great discussion on the establishment of the iron industry in Australia. At that time a small bounty was asked for, or, in lieu of the bounty, a duty of  $12\frac{1}{2}$  per cent., but the House in its wisdom declined to grant the duty, and offered a substantial bounty. I have had the pleasure of going through the Broken Hill Proprietary Company's works. They are a credit to Australia.

Mr. MATHEWS.—And you want to wipe them out!

Mr. McWILLIAMS.—I do not want to wipe the industry out, but I do not want

to place it in a position to wipe out other and kindred industries. I have had placed in my hands some figures bearing on this question. I will take the iron and steel bar as an example, because it is used from one end of Australia to the other in every blacksmith's shop, and on every farm that does its own blacksmithing work. Before the war, iron and steel bars from  $1\frac{1}{2}$  inch by  $\frac{1}{2}$  inch, were £11 per ton. To-day that size and over is £34 per ton, Melbourne price, while for smaller sizes the Melbourne price is £70 per ton. Yet men have the conscience to tell us that the industry cannot stand. I honestly believe there is a combination at work. Those prices could not possibly obtain otherwise.

It was pointed out the other evening that when tenders were called by Mr. O'Malley, the then Minister for Works and Railways, for steel rails, a uniform price of £8 per ton was by an extraordinary coincidence quoted from America, Great Britain, and Europe. That, we were told, was the Combine price. The price to-day for the same rails manufactured in Australia is £17 10s. per ton. My honorable friends opposite say, "We know there are trusts and combines, and that high duties encourage them." Any one who has read what the Iron and Steel Combine has done in America knows that if there is one industry in the world that has been exploited it is this, and that if any body of workers has been treated in an infamous fashion it is the ironworkers of Pittsburg.

Mr. GREENE.—But the unfortunate part about it is that a lot of people insist on having the cheap goods which are made out of the blood of the workmen.

Mr. McWILLIAMS.—Yes, and those who made their blood-stained millions out of the blood of the workmen in America were the Carnegies and the manufacturers who entered into a Combine, and by their arrangement with the trade unions there robbed the people of America and became millionaires.

I want to see this industry continue in Australia, and I believe it can continue, but we can do no greater injury to an honest industry than to load it up with duties which enables it to live on the Tariff alone, instead of by the



energy, industry, and ability of the manufacturer and his workmen. The honorable member for West Sydney (Mr. Ryan) talked about the very desirable combination of labour and capital. That is a combination which I should be pleased to see, but when it is a combination between the Chamber of Manufactures and the trade unions to rob the people of Australia, it is something which I am very sorry to see brought about. I ask my honorable friends opposite, who are trying to force up these duties still higher, to read what their *confrères* in Great Britain are doing on this very subject. They are protesting against the manufacturers who exploited the people of Great Britain during the war. The Labour leaders there are saying, "This exploitation must cease, and we shall not allow any combination to continue to rob the people as they have been doing." Prices such as I have just quoted must make any one consider. There is not a country district in Australia where this material is not used. It is the bedrock of the whole of the industry in every smithy in the Commonwealth, and when the price has been raised from £11 to £70 per ton—

Mr. PARKER MOLONEY.—If that is for steel bars, it is not correct.

Mr. McWILLIAMS.—That is the price payable in Melbourne to-day for  $1\frac{1}{2}$  inch by  $\frac{1}{2}$  inch and smaller.

Mr. PARKER MOLONEY.—It is not a third of that.

Mr. McWILLIAMS.—That is the price that has been handed to me.

Mr. GREENE.—Does the honorable member mean ordinary bars and rods—merchant bars?

Mr. McWILLIAMS.—I am talking of the ordinary  $1\frac{1}{2}$  inch by  $\frac{1}{2}$  inch steel bar. These are the prices sent in to me by another hand by a trader who purchased quite recently. These figures represent the prices ruling to-day in Melbourne.

Mr. GREENE.—For ordinary merchant bars the price that the honorable member has been given is entirely wrong. The price is about £27 or £28 per ton.

Mr. McWILLIAMS.—I am talking of the bar which I have quoted, and which is used in practically every smithy in Australia. These prices have come to me from an authentic source. They

simply mean that every country district is being called upon to pay tribute to the wealthiest company in Australia. I do not care very much what the Tariff is against some of the outside countries, but I submit that the amendment moved by the honorable member for Dampier (Mr. Gregory) will give the Broken Hill Proprietary Company proper protection, and at the same time will afford the Committee at least some opportunity of giving trade to the Mother Country which we talk about so much. It would be very amusing, if it were not sad, to see men who will hoist and flap the flag on every occasion, and who say that they will "live for the flag and die for the flag," plainly showing that they will not trade with the flag.

Mr. GREENE (Richmond—Minister for Trade and Customs) [9.14].—I have here the price lists of the Broken Hill Proprietary Company for the year 1920. Rounds, flats, squares, and rods, which are what are generally known as merchant bars, were priced for the year 1920, taking the average, as follows:—Rounds, £19 16s. 8d. per ton; flats, £19 16s. 8d. per ton—

Mr. McWILLIAMS.—That does not cover  $1\frac{1}{2}$ -inch rods.

Mr. GREENE.—I shall get the price for the particular measurement mentioned by the honorable member, and will undertake to say that it is nothing like £70 per ton. According to the price list supplied to me, squares are £19 16s. 8d., and rods £18 17s. 6d. I have no reason to doubt the accuracy of the figures.

Mr. GREGORY (Dampier) [9.16].—The figures quoted by the Minister (Mr. Greene) only go to show the effect of the combination in Melbourne. The information which I gave to the honorable member for Franklin (Mr. McWilliams) was supplied to me by a reputable trader in the country only a few moments ago. He gave me the most definite information in regard to the operations of the Combine in Melbourne. If honorable members are not satisfied that there is a Combine, and if the Minister thinks it is a beneficent Combine, let me read, for the information of the Committee, a copy of the gentlemanly agreement entered into between the Broken Hill Proprietary Company and the Steel Associations for Victoria, New

South Wales, and South Australia. It has been in force for some time—

1. Arrangement to cover merchant bars, rounds, flats, and squares to include plough steel, octagon, spring steel, and small angles, 3-in. and under.

2. Any arrangement is based on the understanding that the Steel Associations buy all their steel supplies from B.H.P. Co. and other Australian steel manufacturers, provided they can roll.

3. It is agreed—

(a) B.H.P. Co. to nominate wholesale selling price, which shall include 15 per cent. to merchants, plus £1 per ton rackage, &c.

(b) That B.H.P. Co. nominate the selling prices *ex* warehouses, but before any alteration in prices is made a consultation is to be held to obtain the views of the Steel Associations.

(c) That each member of the Steel Associations and others give orders of a minimum quantity per month and complete specification to be given with order. Order to be in hands of B.H.P. Co. before 10th of each month for delivery as soon as possible.

(d) For genuine users the minimum order is to be 50 tons in one order and delivery taken as soon as rolled by the company.

(e) That in quoting buyers, the Steel Associations will adopt the following schedule:—25 tons or over, 20s. per ton less; 50 tons or over, open.

(f) B.H.P. Co. to fix a basis price, and selling extras to be arranged with the Steel Associations.

(g) Example for Victoria—

Retail selling price	..	£23	0	0
B.H.P. pay 15 per cent. commission	£3	9	0	
Handling; carting &c.	..	1	0	0
Freight, say	..	1	0	0
		5	9	0

Return to B.H.P. .. £17 11 0

For N.S.W. and South Australia the freight is a little different, therefore S.A. selling price is a little greater, and N.S.W. selling price a little less.

4. On the fixed selling prices Steel Associations to allow present cash discount.

5. B.H.P. Co. to nominate firms such as Messrs. Ruwolt, Thompsons, McKays, &c.

6. This arrangement does not include Government orders.

7. That the B.H.P. Co. give indication on receipt of order of the items it is expected will not be rolled in two months from date of receipt of order. If any items of the order remain unrolled at the expiration of two months the buyer has the option of cancellation.

8. That in the event of any material on order not being on board ship or rail two months after placing order a rise or fall clause to operate on the prices ruling at date of shipment or railings.

Mr. Gregory.

9. That a list of members of the associations in Sydney, Melbourne, and Adelaide will be furnished, and that the associations in each State approach firms outside the associations with a view of such firms joining the arrangement.

10. Material to be good merchantable quality, and in case of complaint on arrival of material, immediate inspection to be made by representatives of the company.

11. The B.H.P. ordinary terms of sale are to be observed in carrying out this arrangement, with the exception of inspection of material at the works by the purchaser.

Mr. RYAN.—What is the charge made by the honorable member in regard to that document?

Mr. GREGORY.—It shows that there is an honorable understanding between the Broken Hill Proprietary Company and the Steel Associations of the States mentioned, by virtue of which the latter undertake to buy all their steel supplies from the Broken Hill Proprietary Company, and thus to enable Broken Hill to fix their prices.

Mr. RYAN.—I have listened with interest to the honorable member reading the document, and I want to know what conclusion he draws from it.

Mr. GREGORY.—I say it evidences the existence of a Combine which might be similar to the Combines that have proved such a menace to the United States of America. This trader, who supplied me with the information regarding wholesale prices, also gave me figures concerning other products which I am not permitted to discuss at this stage. For instance, he pointed out that white lead was quoted at 70s., but when the embargo was put on, it rose to 105s. Similar movements took place in connexion with axles, shafting, and many other items which I am unable to quote off-hand, but all of which showed enormous increases on pre-war prices. He gave me the figures that the Steel Association were charging him for the iron and steel required for his workshop, and he advised me that they have what is called a base; that is, 1½-in. by ½-in. iron, for which they charge £34 per ton, while for smaller sizes, ½-inch and rounds, the price is 70s. per cwt., or £70 per ton, as compared with the pre-war price of £11 per ton.

Mr. RYAN.—And now the honorable member wishes to wipe out the industry here.

Mr. GREGORY.—The honorable member knows perfectly well that I



realize its value to the country, but I do not wish it to become a dictator. I want a small duty and a bounty, if necessary, to encourage its development. From information which has been collected by the Department, we can see that there has been an enormous increase in nearly all duties. We had a Protectionist Tariff in 1908. The rates were increased in 1914 under a Labour Administration, but no duty was imposed on these items, and Hoskins were able to carry on then, and as a matter of fact, we were exporting pig-iron as far back as 1907. In 1914 it was not even suggested that a duty was necessary on this particular item. I suggested that the British Tariff should be 15s., and that the rate fixed by the Minister for other countries should remain, basing my argument on the conditions that obtain in Canada. Our workmen surely are as intelligent and as efficient as those of other countries.

Mr. RYAN.—How is the document which you have just read relevant to the motion?

Mr. GREGORY.—I was replying to the Minister's statement concerning prices. Honorable members want my reasons for a reduction in the duty. I have been endeavouring all through to point out that if Canada, notwithstanding her difficulties about coal supplies, could build up a big industry with a duty of 10s. 5d. per ton on this item, there is good ground to ask for a reduction. I have been further examining the Canadian Tariff, and I find that in 1909 there was a reduction in duty\* of  $7\frac{1}{2}$  per cent. on ingots, blooms, slabs, billets, and items of that description.

Mr. MATHEWS.—That was because of an arrangement between United States of America and Canadian firms.

Mr. GREGORY.—I find, also, that sheets less than 14 gauge for the manufacture of corrugated galvanized iron and tin plates are on the Canadian free list. I believe the Broken Hill Proprietary Company's works at Newcastle are the most up to date in the world. They have coal at their very doors, cheaper than the Canadian coal, and have immense ore deposits at Iron Knob, assaying as much as 68 per cent. iron ore; whereas most of the other manufacturers in the world have to use 2 tons of ore to equal 1 ton of ours.

Mr. CHARLTON.—Do you say that Newcastle coal is cheaper than the Canadian coal?

Mr. GREGORY.—No, I cannot say that.

Mr. CHARLTON.—Then why did you say it was cheaper? You do not know.

Mr. GREGORY.—I can tell the honorable member that, according to the last return (1918), Canada imported 4,500,000 tons of anthracite coal, and also 14,000,000 tons of bituminous coal, and that upon the latter she paid 35 cents per ton duty.

Mr. CHARLTON.—If I tell you that Canadian coal is cheaper than Newcastle coal, will you dispute the statement?

Mr. GREGORY.—How could it be? If Canada can import coal, paying a heavy duty, cheaper than it can be supplied at Newcastle, there must be something wrong with the administration of our local coal mining industry.

Mr. MAHONY.—Does the honorable member say that there is anything wrong with this official document in regard to Canadian coal?

Mr. GREGORY.—I do not know what is in the document, but my statements are based on reports in the *Canadian Year-Book*. The gentleman who supplied me with my information relating to iron and steel prices is a most reliable trader, and I intend to ask him to send me official documents in regard to this matter. I shall then be able to show that the statement I made was correct, and that those exorbitant charges are being demanded here.

Mr. PARKER MOLONEY (Hume) [9.32].—The honorable member for Franklin (Mr. McWilliams) made a statement, which was repeated by the honorable member for Dampier (Mr. Gregory), on the information of a "reliable" trader. It is only fair to the Committee that we should know the name of that trader in order to test the statement that he is reliable. If the honorable member for Dampier can give no better testimony in support of his statement than that of some anonymous writer—

Mr. GREGORY.—He was not a writer, but a gentleman whom I interviewed.

Mr. PARKER MOLONEY.—If he has not put his statement in writing he

evidently does not wish his name to be associated with some unreliable statement. Both the honorable members to whom I have referred made a definite statement that the price of certain bars had risen from £11 to £70 per ton, and I take it as a sample of the arguments and information put before the Committee by those who are opposed to the amendment. The honorable member for West Sydney (Mr. Ryan) asked that the opponents of the amendment should express themselves, and I am glad that he brought them to their feet, because they have given their case away. I shall refute their statement that the price of the bars rose from £11 to £70, not by the statement of an anonymous informant, but on testimony that can be substantiated. The accountant of the Broken Hill Proprietary Company states that the price of these bars to-day is £21 10s. at the works.

Mr. STEWART.—What size?

Mr. WATKINS.—From  $1\frac{1}{2}$  inches downwards.

Mr. PARKER MOLONEY.—The prices of the different sizes vary a little, but I understand that the highest does not exceed £30.

Dr. EARLE PAGE.—The accountant does not refer to the bars that have been under discussion.

Mr. PARKER MOLONEY.—No bars are made at the Broken Hill Proprietary Company's works the price of which in any way approaches the figure quoted by the honorable member for Franklin. Statements such as have been made by honorable members in the Corner should not be placed before the Committee unless they are backed by some reliable authority. The fault I find with the honorable member for Dampier (Mr. Gregory) is that he supports his statement by no authority that can be depended upon.

Mr. STEWART.—There is such a thing as a commercial boycott.

Mr. GREGORY.—When I obtain the vouchers from my informant I shall take care to remove his name before showing them to honorable members.

Mr. FENTON.—If they are put before us without a name we shall brand them as bogus.

Mr. PARKER MOLONEY.—I take second place to nobody in my consideration for the interests of the primary producers, and if by any set of facts that

could be adduced, if from anything I have heard or read, I could believe that the building up of this great key industry, the maintenance of our Australian workers in useful employment, and the driving of a nail into the coffin of that overseas Combine that has been a curse to this country for many years, would detrimentally affect the man on the land, I would think a thousand times, and hesitate before I would vote for the amendment.

Dr. EARLE PAGE.—Does the honorable member think that the amendment would make a great deal of difference to the industry? The Minister says it would not.

Mr. PARKER MOLONEY.—I not only listened to the Minister (Mr. Greene), but I read his speech, and I was fully prepared to hear him conclude by accepting the amendment. He stated that the rates of exchange were in favour of the importers, and he admitted that the price of coal had risen, and that there have been two wages awards in the industry within the last twelve months, whilst overseas costs of production have been reduced. If these things are true, and the Minister admitted that they are, the argument in favour of the amendment is unanswerable.

Mr. RICHARD FOSTER.—The honorable member also heard the Minister say that he was making provision to deal with the exchange.

Mr. PARKER MOLONEY.—We say that this schedule provides the opportunity of dealing with the matter.

Mr. RICHARD FOSTER.—He also said that he was satisfied that a duty of 20s. was adequate.

Mr. PARKER MOLONEY.—If that is so it kills the argument of the honorable member for Illawarra (Mr. Hector Lamond) that he would not support the amendment, because it would help the Broken Hill Proprietary Company to profiteer and build up a Combine in Australia. If the Minister intends to appoint a Tariff Board to watch the operation of the duties the argument of the honorable member becomes invalid. I do not desire to see Combines established anywhere, but if I have the choice between a Combine here that we can deal with under our own laws, and one that has grown up overseas and has been operating to our detriment



for years past, I prefer the local one every time. Honorable members in the corner know that the Steel Trust tried to thwart us in connexion with the construction of the Kalgoorlie-Port Augusta Railway, and when the then Minister for Home Affairs tried to purchase rails outside the Combine, he was unable to get freight, because the Shipping Combine was in league with the Steel Trust. The two were acting together, for no doubt the same parties were interested in both. Therefore, I repeat that if we must have a Combine, I prefer the one that will be subject to our own laws. It has been said that there is a danger of reaction upon our subsidiary industries. The production of galvanized iron may be mentioned as one of these. How have the people out-back fared at the hands of importers of galvanized iron? They have had to pay as much as £80 and £90 per ton. They have been in the grip of the importers.

Mr. RICHARD FOSTER.—When there was no shipping.

Mr. PARKER MOLONEY.—That is the best argument possible for building up our own industry.

Mr. RICHARD FOSTER.—I want to help to do so.

Mr. PARKER MOLONEY.—For then we would not be at the mercy of the Shipping Ring or any other Combine. We should now see to it that if ever war broke out again Australia would be free from the clutches of foreign Combines, and our basic and subsidiary industries assisted to become so flourishing as to make us self-contained. The honorable member for Balaclava (Mr. Watt) made a speech at Elsternwick yesterday, where he is reported to have dealt with the need for a Protective Tariff upon iron and steel, and with the urgent necessity for building up a self-contained Australia. It is recorded in the press to-day that the honorable member said also that iron and steel manufacture were the best industries of a country, and that it might safely be said that no nation had risen in the past, or could rise now or in the future, without building up her iron and steel industries.

Mr. GREENE.—Can the honorable member say whether the honorable member for Balaclava is in favour of the amendment, or against it?

Mr. PARKER MOLONEY.—I judge that if a vote had been taken yesterday,

upon the conclusion of the honorable member's speech, he would have supported the amendment.

Mr. GREENE.—If I were to suggest that the honorable member for Balaclava has paired with the honorable member for Hume (Mr. Parker Moloney), would I be right?

Mr. PARKER MOLONEY.—I do not know what arrangement has been made. I understand that the honorable member for Balaclava stated definitely, but in the course of private conversation this evening, that he would vote against the amendment. I wish he had seen fit to stand up in this chamber and explain his Elsternwick speech. I conclude, however, that he has had a chat with the Minister, and has decided that the best thing for him to do is to vote against the amendment.

Mr. RICHARD FOSTER.—You know that nearly every honorable member will vote against it.

Mr. PARKER MOLONEY.—All the honorable members on your side will not.

Mr. RICHARD FOSTER.—All on your side will not vote for it.

Mr. PARKER MOLONEY.—The honorable member for Wakefield is a good party man.

Mr. RICHARD FOSTER.—Unfortunately, I have to be.

Mr. PARKER MOLONEY.—Yes, when the whip cracks he falls into line. I sometimes find myself lost in wonder concerning the position of honorable members in the Corner. What is their real fiscal attitude? Upon such an issue every one must surely be one thing or another. I cannot understand or appreciate the mental state of an individual who is a whole-hogging Protectionist on onions, and, at the same time, would throw open the doors of Australia to foreign makers of the implements with which he cultivates his onion patch—giving the workmen of this country, who are his best customers, since they provide the home market, no opportunity to build up Australian industries. To say the least, such a policy is inconsistent.

Dr. EARLE PAGE.—We are standing by the Minister, the greatest Protectionist of all.

Mr. PARKER MOLONEY.—The trouble in gauging the attitude of honorable members in the corner is that sometimes they are found standing by the

Minister, and sometimes against him. I cannot see how they can be Protectionists in one breath, moderate Protectionists in the next, and Free Traders in the next after that. The honorable member for Dampier (Mr. Gregory) has described himself as a moderate Protectionist. The essence of Protection lies in that it protects. If it does not fully protect, it must be called by some other name.

Mr. GREGORY.—What would the honorable member call Sir William Lyne and those who, with him, built up the 1908 Tariff? Were they not Protectionists?

Mr. PARKER MOLONEY.—Yes; Sir William Lyne always voted for the highest form of Protection he could get. He was consistent. The attitude of honorable members in the corner, however, takes the form of "Now you see me, and now you don't." They are all for a high Tariff on one thing, and for a low Tariff on the next. How can any one be a moderate Protectionist? A man who is wearing a hat and nothing else may be said to be only moderately clothed. How can one speak of a moderately burglar-proof safe, or of a moderately fire-proof building? I recently inspected the great terminal silos in Sydney, and was inspired by what I saw there. I learned that fully 95 per cent. of everything that had gone into that great work was made in Australia by Australian workmen.

Dr. EARLE PAGE.—Can the honorable member draw my attention to any definite request on the part of the Broken Hill Proprietary Company for increased duty?

Mr. PARKER MOLONEY.—Yes, they are extremely anxious about it, as also are the working people. The Minister, who has strong Protectionist tendencies, will surely meet honorable members in some way. If he is not prepared to go the whole distance, perhaps he will be prepared to agree to some increase. He has already assured us that an effort will be made to prevent profiteering and any abuse of the privileges enjoyed under a Protective Tariff by the appointment of a Board; but he should also be prepared to assist an industry which is of such great importance to the Commonwealth.

Mr. STEWART (Wimmera) [10.1].—It is not my intention to take up the time of the Committee—

Sir JOSEPH COOK.—Why not let us take a vote?

Mr. STEWART.—If no other honorable member wishes to speak I am quite prepared to let the matter go to a division.

Sir JOSEPH COOK.—I think it is time.

Mr. PARKER MOLONEY.—There are others on this side who desire to speak.

Mr. STEWART.—As I believe there is a possibility of a vote being taken at this stage, I shall reserve my remarks until a future occasion.

Question—That the words proposed to be inserted be inserted (Mr. WATKINS' amendment)—put. The Committee divided.

Ayes	..	..	15
Noes	..	..	31
Majority	..	..	16

#### AYES.

Anstey, F.  
Blakeley, A.  
Blundell, R. P.  
Catts, J. H.  
Charlton, M.  
Francis, F. H.  
Lister, J. H.  
Mahony, W. G.

Mathews, J.  
McGrath, D. C.  
Nicholls, S. R.  
Ryan, T. J.  
West, J. E.  
*Tellers:*  
Fenton, J. E.  
Watkins, D.

#### NOES.

Bamford, F. W.  
Bayley, J. G.  
Bell, G. J.  
Bowden, E. K.  
Cameron, D. C.  
Chapman, Austin  
Cook, Sir Joseph  
Cook, Robert  
Corser, E. B. C.  
Foley, G.  
Foster, Richard  
Gabb, J. M.  
Gibson, W. G.  
Greene, W. M.  
Gregory, H.  
Groom, L. E.

Higgs, W. G.  
Jowett, E.  
Lamond, Hector  
Lavelle, T. J.  
Livingston, J.  
Mackay, G. H.  
Marr, C. W. C.  
Page, Dr. Earle  
Rodgers, A. S.  
Ryrie, Sir Granville  
Smith, Laird  
Stewart, P. G.  
Wise, G. H.  
*Tellers:*  
Burchell, R. J.  
Story, W. H.

#### PAIRS.

Maloney, Dr.  
Jackson, D. S.  
Makin, N. J. O.  
Riley, E.  
Moloney, Parker

Hill, W. C.  
Prowse, J. H.  
McWilliams, W. J.  
Fleming, W. M.  
Watt, W. A.

Question so resolved in the negative.

Amendment negatived.

Mr. CHARLTON (Hunter) [10.8].—During the discussion on this item various opinions have been expressed. Some honorable members have been in favour of increasing the duties all



round, and others are in favour of a reduction in the British rate. The vote just recorded still leaves the question in doubt as to what the Committee really favours. The honorable member for Dampier—

Mr. GREGORY.—In view of the vote just recorded, it is not my intention to press my amendment.

Mr. CHARLTON.—I am anxious to ascertain if there is a way out of the present difficulty, because I do not want the Committee to sit all night if that can be avoided. During the discussion the honorable member for Dampier (Mr. Gregory) stated, by interjection when I was speaking, that he was not particularly concerned about the general rate so long as the British duty was not increased. Honorable members on this side have not been putting up a fight for nothing. We are endeavouring to assist a very important industry. It has already been shown by the Minister for Trade and Customs (Mr. Greene) and other speakers that the wages paid in other countries are considerably below those ruling in Australia, and that the cost of materials is also lower. In these circumstances it is impossible for Australian manufacturers to compete with industries abroad. It has frequently been mentioned during the discussion that we have a natural protection by means of long sea carriage; but it must not be overlooked that at present some vessels are unable to secure any freight at all. There are ships in almost every port seeking cargoes, and in consequence of a bounteous harvest there is a good deal of loading from Australia, although there is practically little offering on the other side. Sailing ships and steamers must have ballast, and when they are coming to Australia to pick up freight they are often prepared to take pig iron as ballast in preference to sand, because it is more easily handled. The position has changed entirely during recent years, and instead of exorbitant freights being charged, vessels are prepared to carry anything they can secure at ridiculous rates. It is quite possible that ship-owners would be prepared to accept £1 per ton for carrying pig iron to Australia.

Mr. MATHEWS.—Cast-iron pipes have been carried for 7s. 6d. per ton.

Mr. CHARLTON.—Yes. A few years ago charterers were prepared to carry certain material for nothing when it was suitable ballast. There is no natural protection to-day, and surely it is fair to assist manufacturers under the general Tariff. If the Minister is prepared to increase the general Tariff from 40s. to 60s., I do not think the members of the Country party would object, because they would not be in favour of Germany or Belgian imports competing unfairly with our own products. I appeal to the Acting Prime Minister (Sir Joseph Cook) to meet us in some way.

Sir JOSEPH COOK.—After fighting for a week!

Mr. CHARLTON.—I have been fighting in the interests of an important industry, and I am sorry we have been defeated.

Sir JOSEPH COOK.—It is merely wasting time.

Mr. CHARLTON.—It is not. It is of the utmost importance to the welfare of the country, or I would not persist. I have my opinions on this matter, and it is unfair of the Acting Prime Minister to say that I am wasting time when I am endeavouring to perform the duties for which I am paid.

Sir JOSEPH COOK.—The honorable member is wasting time, and certainly not doing the industry any good.

Mr. CHARLTON.—I am not doing it any harm.

Sir JOSEPH COOK.—I think you are.

Mr. CHARLTON.—I am endeavouring to protect the industry, and by that means keep a large number of workmen employed.

Sir JOSEPH COOK.—You have not a monopoly of sympathy for them.

Mr. CHARLTON.—I know that, as there are other honorable members who are just as sympathetic towards the workers as I am. It is unreasonable of the Acting Prime Minister to say that I am wasting time.

Sir JOSEPH COOK.—It is a waste of time.

The TEMPORARY CHAIRMAN (Mr. Atkinson).—Order!

Mr. CHARLTON.—The right honorable gentleman has not been here, and so he cannot very well say if time has been wasted or not. He is seldom in the chamber, and when he does appear, he adopts the attitude of the Prime Minister (Mr.

Hughes), and expresses opinions on something he knows nothing about.

Sir JOSEPH COOK.—I have done six times as much work to-day as the honorable member has.

Mr. CHARLTON.—There is no reason for the right honorable gentleman to accuse me of wasting time.

The TEMPORARY CHAIRMAN.—Order!

Mr. CHARLTON.—I know the Acting Prime Minister leads a very busy life, but he must give some one else credit for working hard also.

Sir JOSEPH COOK.—I was merely stating a fact.

Mr. CHARLTON.—It is not a fact.

Sir JOSEPH COOK.—That is not like the honorable member.

Mr. CHARLTON.—I admit that it is not; but it is only because I am compelled to do so that I adopt this attitude. I think it is only a fair thing to ask the Minister to give this industry additional protection in the general Tariff, and I believe that he will do so if he is left to his own discretion. I do not know where he is now.

Sir JOSEPH COOK.—The honorable member has talked him to death.

Mr. CHARLTON.—The right honorable gentleman will stand a lot of talking before he is talked to death. He has been here a long time, and has stood it well. I see that the Minister for Trade and Customs was not far away, and I now appeal to him to give this industry some additional protection under the general Tariff. As apparently he is not prepared to do so, I move—

That the following words be added to sub-item A:—"And on and after 9th June, 1921, per ton, British, 20s.; intermediate, 30s.; general, 60s."

I submit that amendment to test whether the Committee is in favour of doing anything to protect this industry from importations from foreign countries.

Sir JOSEPH COOK.—A duty of £3 per ton on pig iron! It was never heard of in the world before.

Mr. CHARLTON.—The duty would be aimed at a country like Germany. The right honorable gentleman has had a good deal to say about Germany, and recently the Government said that they would not trade with Germany again. Now they are being forced to do so, and the trading is done in an underhand way.

Every one knows that iron and steel are being imported from Germany into Great Britain, and exported to this country to the detriment of our own people. In spite of this I am twitted in the way I have been by the Acting Prime Minister (Sir Joseph Cook). I am not disposed to permit the Germans to send goods into this country to the detriment of our own productions.

Question.—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes .. ..	14
Noes .. ..	26
Majority .. ..	12

#### AYES.

Anstey, F.	McGrath, D. C.
Blundell, R. P.	Nicholls, S. R.
Catts, J. H.	Ryan, T. J.
Fenton, J. E.	West, J. E.
Foley, G.	
Francis, F. H.	<i>Tellers:</i>
Lister, J. H.	Charlton, M.
Mahony, W. G.	Watkins, D.

#### NOES.

Bayley, J. G.	Jowett, E.
Bell, G. J.	Lamond, Hector
Bowden, E. K.	Livingston, J.
Cameron, D. C.	Marr, C. W. C.
Cook, Sir Joseph	Page, Dr. Earle
Cook, Robert	Rodgers, A. S.
Corser, E. B. C.	Ryrie, Sir Granville
Foster, Richard	Smith, Laird
Gabb, J. M.	Stewart, P. G.
Gibson, W. G.	Wise, G. H.
Greene, W. M.	
Gregory, H.	<i>Tellers:</i>
Groom, L. E.	Burchell, R. J.
Higgs, W. G.	Story, W. H.

#### PAIRS.

Maloney, Dr.	Hill, W. C.
Jackson, D. J.	Prowse, J. H.
Makin, N. J. O.	McWilliams, W. J.
Riley, E.	Fleming, W. M.

Question so resolved in the negative.  
Amendment negatived.

Mr. FENTON (Maribyrnong) [10.24].—Apparently the Committee is now prepared to pass all the sub-items of item 136 with a rush, but before that is done I should like to have a statement from the Minister for Trade and Customs (Mr. Greene) to the effect that if he finds, in connexion with industries affected by the sub-items with which we have not yet dealt, that the duties proposed are not effective to prevent importations, we may rely upon the



pledge which he gave in connexion with sub-item A, that should dumping be attempted, steps will be immediately taken for the protection of the industries affected.

Mr. GREENE.—Certainly.

Sir JOSEPH COOK.—The honorable member has had that assurance several times.

Mr. GREGORY (Dampier) [10.27].—I do not know whether the Minister (Mr. Greene) is now prepared to report progress.

Mr. CHARLTON.—He will if the honorable member asks him to do so.

Sir JOSEPH COOK.—No; he will not.

Mr. GREGORY.—I intend to submit an amendment in paragraph 1 of sub-item D. I think that the period provided for in that paragraph should be extended from 1922 to 1923 or 1924. I do not think that it is at all possible that before 1st January, 1922, we shall be able to make plate and sheet iron up to and including 1-16 of an inch in thickness. These are very light sheets. I have mentioned that in Canada, under the 1919 Tariff, all these small plates are allowed to come in free. I do not want that, but I think that the period within which they should become dutiable as proposed in this Tariff should be extended. If we extend the period to 1st January, 1923, and I should be prepared to consent to that, there will be ample time between now and then to consider the effect of this Tariff. We shall not have an opportunity to do so between this and the 1st January, 1922. The Minister must realize that he is proposing duties of from 65s. per ton up to 100s. per ton on sheet iron required for secondary industries; for instance, in the manufacture of all sorts of tubs and tanks. In several instances the Minister has had to extend the period for the operation of duties, because, in his opinion, the industries they affected would not be able to take advantage of them on the dates first fixed. We should make certain before imposing such enormous duties as are here proposed, that the smaller manufacturers will not be prejudiced, and I therefore move—

That sub-item D, paragraph 1, be amended by omitting the figures "1922," and inserting in lieu thereof the figures "1923."

Mr. GREENE (Richmond—Minister for Trade and Customs) [10.32].—I hope that the honorable member will not press the amendment. This is one of the first of the deferred duties. I expect that by the 1st January, 1922, practically all the black sheet of this class required in Australia will be rolled in this country. The duty proposed is not excessive. All the duties on iron are on a proportional basis. We have tried to work them out with due regard to the actual prices charged in pre-war days.

Amendment negatived.

Amendment (by Mr. GREENE) agreed to—

That sub-item D, paragraph 2, be amended by omitting the figures "1921," and inserting in lieu thereof the figures "1922."

Mr. GREENE (Richmond—Minister for Trade and Customs) [10.35].—I move—

That sub-item E be amended by adding the following words:—"And on and after 9th June, 1921—"

- (1) Wire of No. 14 or finer gauges, "ad val., British, 25 per cent.; intermediate, 30 per cent.; general, 35 per cent.
- (2) Wire, other, per ton, British, 52s.; intermediate, 72s. 6d.; general, 90s.

All gauges of wire down to the very finest are now being drawn in Australia, and the specific duties which are sufficient to protect the manufacturer of the heavier gauges are insufficient for the finer gauges.

Mr. CHARLTON (Hunter) [10.36].—I take it that the wire used for making nails comes within sub-item E, and I wish to point out that nail works have been standing idle for two months because the protection afforded by the Tariff is not sufficient. I have been informed by men connected with the industry that they can get no orders.

Mr. GREENE.—The whole trouble is the Belgian wire.

Mr. McWILLIAMS.—How many men are employed in the industry?

Mr. GREENE.—About 600.

Mr. CHARLTON.—The Minister says that the trouble is due to the Belgian wire.

Mr. GREENE.—It will be settled as soon as the exchange position has been rectified.

Mr. CHARLTON.—Would it not be a good thing to increase the duties?

Mr. GREENE.—I do not think that that would make any difference. Locally manufactured wire cannot be sold, because so much has been indented, and is to arrive, which has been bought at a very much higher price than is asked for Australian wire.

Mr. CHARLTON.—The exchange position enables this to be done?

Mr. GREENE.—Yes.

Mr. CHARLTON.—Honorable members have wondered why we, on this side, are so concerned about these duties, but in the nail-making industry alone 600 men have been out of employment for two months.

Sir JOSEPH COOK.—The honorable member is delaying the application of the remedy.

Mr. CHARLTON.—I wish to give protection to their industry.

Sir JOSEPH COOK.—You cannot cure the trouble in that way.

Mr. GREENE.—If I made the duty £8 a ton, it would not improve their position.

Mr. CHARLTON.—I do not wish to delay the passage of the Tariff; but this is a bread-and-butter matter to very many persons, and complaints about the present position are general.

Mr. GIBSON.—What is meant by under No. 14 gauge?

Mr. GREENE.—No. 16 gauge is a finer wire than No. 14 gauge. Nos. 8, 9, and 10 gauge wires are fencing wires.

Mr. GIBSON.—Nails are not made of 14-gauge wire and under?

Mr. GREENE.—No.

Mr WATKINS (Newcastle) [10.40].—As has already been pointed out, the works to which the honorable member for Hunter (Mr. Charlton) has referred, have now been closed down for a couple of months, with the result that 600 men are out of employment. Those works are being compelled to sell the stock which they had on hand at an absolute loss, in order to supply their customers. This action has been rendered necessary by the large importation of this class of wire from overseas. They were obliged to close down because they could not get any sale for wire which they manufactured from local products. Cannot the Minister see his way to impose slightly higher duties than those which are proposed?

Mr. GREENE.—I think that they are sufficient.

Mr. WATKINS.—Those interested in the industry are asking for a duty of 35 per cent. under the British preferential Tariff, of 40 per cent. under the intermediate Tariff, and of 45 per cent. under the general Tariff. Upon the finer class of wires, I hope that the Minister will consent to the imposition of higher duties.

Mr. GREGORY (Dampier) [10.45].—I desire honorable members to realize how far-reaching the proposed duties will be. The Minister (Mr. Greene) wishes to levy a duty of 25 per cent. under the British preferential Tariff, of 30 per cent. under the intermediate Tariff, and of 35 per cent. under the general Tariff. Presently we shall have to consider the duty upon wire netting. In Western Australia, we have been settling a number of returned soldiers upon the land in places where rabbits and other vermin are pretty bad, and the Minister should therefore let us know the duties which he proposed to levy upon wire netting. I take it that that article will have to bear still heavier duties than those which we are now considering.

Mr. GREENE.—No, because all wire netting is drawn from rods manufactured locally. So long as I allow the duty upon wire rods to stand as it is at present, I shall not have to interfere with the duty upon wire netting.

Mr. GREGORY.—I desire to secure a reduction of these duties, because I recognise the difficulties of men who are making a start in life, and who at the outset of their operations have not even a fence round their holdings.

Mr. WATKINS.—Australian wire netting is as good as is the imported article.

Mr. GREGORY.—But it is a question of price. If we impose a duty of £4 or £5 per ton upon wire netting, the men to whom I have referred will be labouring under a heavy handicap. I desire to know how the Government proposals will affect the farmers. It seems to me that, in the future, for fencing wire, he will have to pay 52s. per ton under the British preferential Tariff, 72s. 6d. per ton under the intermediate Tariff, and 90s. per ton under the general Tariff. The protection which is extended to fencing wire at the present



time is a pretty large one. There is a duty of 90s. per ton upon foreign wire, and this, with freight, insurance, and exchange, represents a natural and Tariff protection of £8 6s. per ton, which is a most unfair impost. We have been putting on the land recently a great number of men, and I am afraid that this will probably mean a demand for an increase of the duty on wire netting.

Mr. GREENE.—It does not mean that.

Mr. GREGORY. — When we come to that matter I hope the Minister will agree to a rebate. I think we can put up a big case for the new settler, the orchardist, and many others on whom the present price of netting is a very severe tax.

Amendment agreed to.

Amendment (by Mr. GREENE) agreed to—

That sub-item F be amended by omitting the figures "1921," and inserting the figures "1922."

Progress reported.

#### MARANOA ELECTION.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter) informed the House that it was proposed to issue a writ for the election of a member to serve in the House of Representatives for the electorate of Maranoa in the place of the Honorable James Page, deceased, and that the dates in connexion with the election would be fixed as follows:—Date of issue of writ, 13th June; date of nomination, 30th June; date of polling, 30th July; and the return of the writ to be on or before 3rd September, 1921.

#### ADJOURNMENT.

INCOME TAX PROSECUTIONS AT DARWIN.

Motion (by Sir JOSEPH COOK) proposed—

That the House do now adjourn.

Mr. RYAN (West Sydney) [10.53].—I desire to ask the Acting Prime Minister (Sir Joseph Cook) a question with regard to the position that has arisen at Darwin. I have a communication from there to the effect that three residents have been sentenced to twenty-eight days' imprisonment for refusal to pay taxes, and also that a large number of other prosecutions are likely to follow. I

gauge from the tenor of the telegram that feeling is running very high in connexion with the matter, and I should like to know whether the Acting Prime Minister can give us any information on the subject, or whether he will have inquiries made in regard to it before it is further discussed?

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [10.54].—All that I know is that as the honorable member for West Sydney (Mr. Ryan) has indicated, there are at Darwin individuals who are openly flouting and defying the law. That the Government will not permit either at Darwin or anywhere else. The law must be carried out. There is nothing more to be said. If these men will not pay their just dues they will have to be made to pay them.

Question resolved in the affirmative.

House adjourned at 10.55 p.m.

## House of Representatives.

Thursday, 9 June, 1921.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter) took the chair at 2.30 p.m., and read prayers.

#### COCKATOO ISLAND DOCKYARDS: PAPER.

Sir JOSEPH COOK (Parramatta—Acting Prime Minister and Treasurer) [2.31].—(By leave.)—I lay on the table an interim report of a Royal Commission on the Cockatoo Island Dockyard, and shall read its only effective clause so that honorable members may know what it contains. The Commissioners say—

Pending a complete report on the Cockatoo Island Dockyards, and having in view the evidence before us as regards the *Adelaide* and the vessel *Mombah*, and the recent appointment of a Board of Control to deal with ship-building, we, your Commissioners, are of opinion that the Board of Control should, within the terms of their appointment, take such steps as they deem necessary to complete the *Adelaide* and the vessel *Mombah* at the earliest possible moment.

I am glad to see the *Mombah* correctly described as a vessel. All sorts of notions about her are prevalent, and she has been referred to in the press as a mere coal hulk.

Mr. McWILLIAMS.—So she is; absolutely nothing else.

Sir JOSEPH COOK.—I must conclude that, despite the investigation in which my honorable friend has taken part, he does not know exactly what she is.

Mr. McWILLIAMS.—Is it not a vessel in which coal is stored?

Sir JOSEPH COOK.—This vessel is more than that. She is for the coaling of the Fleet.

Mr. WATKINS.—A coal hulk must be towed from place to place, but this vessel, I take it, will move under her own steam.

Mr. McWILLIAMS.—No. She has no engines, and must be towed.

Sir JOSEPH COOK.—With the Commissioners' recommendation I have no quarrel. There never was at any time an intention to delay the completion of these vessels beyond the end of the financial year. The only reason for stopping the work was that, until the end of this financial year, I could not advance any more money for it. By the time the new Board of Control takes over matters, which will, of course, involve the transference of the control of the dockyards to them—

Mr. CHARLTON.—The members of the Board are already appointed?

Sir JOSEPH COOK.—Yes. This transference should not take long, and steps have already been taken to give effect to the Commissioners' recommendation.

Mr. J. H. CATTS.—You regard the report as a certificate of merit.

Sir JOSEPH COOK.—I have not been connected with the matter at all, except financially.

Mr. MAHONY.—The work is waiting to be done. Why do you not go on with it?

Sir JOSEPH COOK.—We are going on with it as soon as possible.

Mr. MAHONY.—This year, or next year?

Sir JOSEPH COOK.—The honorable member, who was a member of the Commission, gibes at me. Everything he does seems to have some political bias.

Mr. MAHONY (Dalley) [2.36].—(By leave.)—The concluding remark of the Treasurer was entirely uncalled for, and I am sure that the members of the Commission would readily admit that, as a

member of it, I took no political advantage at all.

Sir JOSEPH COOK.—Why do you say these things now?

Mr. MAHONY.—I wish to know when the work will be proceeded with, so that workless men may get employment.

Sir JOSEPH COOK.—I told you that it will be continued as soon as possible.

Mr. MAHONY.—I should like to know what that means. The work is waiting to be done, and men are anxious to get to it. A great deal of distress prevails in many of the districts about Sydney because of the stoppage of these operations, and, as the Treasurer knows, application has been made to him by the mayor of one municipality for assistance to relieve it. I object strongly to the remark of the Treasurer.

Sir JOSEPH COOK.—Then I withdraw it.

Mr. MAHONY.—If I were out to get a political bolt into you, I could effect my purpose very easily in connexion with this matter.

### INCOME TAXATION.

Mr. FENTON.—As it has been disclosed in evidence given before the Taxation Commission that a number of very rich persons do not contribute their fair share to the revenue, will the Treasurer amend the income tax law so that they may be compelled to pay a little more, and will the right honorable gentleman, at the same time, increase the exemption allowed to the poorer members of the community?

Sir JOSEPH COOK.—I hear complaints every day from persons who see me to urge economy in public administration, and who say that they are unable to pay their present taxes.

### BUILDINGS AT CANBERRA.

Mr. J. H. CATTS.—Will the Minister for Works and Railways say whether the report of the Canberra Board, together with plans for a hall and hostel at Canberra, have yet been considered by the Cabinet? Is he prepared to lay this report and the plans on the table for the information of honorable members?

Mr. GROOM.—I answered the question yesterday. The papers have been received, and are now being considered by the Cabinet.



## IMPERIAL CONFERENCE.

## CONSTITUTION FOR THE EMPIRE.

Mr. J. H. CATTS asked the Acting Prime Minister, *upon notice*—

Has he seen the statement in the press cables to the effect that Mr. Lloyd George has invited an eminent constitutional authority to address the Imperial Conference on the question of a Constitution for the Empire—Imperial Federation—and, if the statement is correct, how does this agree with the pledge of the Prime Minister that the constitutional position and Imperial Federation were not to be discussed at the Conference this month?

Sir JOSEPH COOK.—I have seen the press report that the British Prime Minister has invited an eminent constitutional authority to address the forthcoming Imperial Conference on various forms of constitutional government. Beyond that I am unable to say anything; Mr. Hughes' statements made before leaving Australia still hold.

## JAPANESE IN MARSHALL AND CAROLINE ISLANDS.

Mr. J. H. CATTS asked the Acting Prime Minister, *upon notice*—

1. Has he seen the positive statement in the last issue of *Smith's Weekly* that Japan is landing huge quantities of military and naval stores in the Marshall and Caroline Islands adjacent to the north of Australia?

2. Is he in a position to state the facts in connexion with this matter?

Sir JOSEPH COOK.—I have seen the paragraph referred to, but am not in a position to make a statement in connexion with the matter.

## PAPER.

The following paper was presented:—

Public Service Act—Promotion of W. H. Brewer, Department of Trade and Customs.

## TARIFF.

*In Committee of Ways and Means:*

Consideration resumed from 8th June (*vide* page 8927).

## DIVISION VI.—METALS AND MACHINERY.\*

\*Motive power, engine combinations, and power connexions are dutiable under their headings when no integral parts of machines, machinery, or machine tools.

Item 136—

Iron and Steel—

\* \* \* \* \*

Mr. GREENE (Richmond—Minister for Trade and Customs) [2.42].—When the Committee adjourned last night I intimated that I had a further amendment to move upon this item. I move—

That the item be amended by adding the following:—

“(G) High-grade carbon steels and alloy steels containing manganese, silicon, nickel, chromium, tungsten, titanium, vanadium, molybdenum, cobalt or other alloying elements, introduced to impart special qualities to the steel, viz.:—Ingots, billets, bars, die and tool blocks, and blanks, also tapered or bevelled bars and other special shapes, on and after 10th June, 1921, as prescribed by departmental by-laws—*Ad val.*, British, 20 per cent.; intermediate, 25 per cent.; general, 30 per cent.”

We have had a great deal of debate on the necessity for the establishment of the iron and steel industry in this country, but its development will not be complete until we have the means of manufacturing the higher grades of steel required for many purposes. From a defence point of view it is absolutely essential that we should manufacture these higher grades of steel here. Australia is perhaps richer than any other country in the rare minerals required for the manufacture of special alloy steels. We are singularly fortunate in having in this country practically all the known rare minerals required for the purpose. During the last few years there has been considerable development in this class of work. There is a large foundry in Sydney fitted with electrical furnaces, which is devoted entirely to it. There is another large foundry in course of erection in Western Australia, which will almost immediately employ over 100 men. An important English firm whose name is famous throughout the world as a producer of these alloy steels, and whose experience in their manufacture is perhaps greater than that of any other firm in the world, has linked up with Australian manufacturers and is investing a very large sum of money in the production of these high-grade steels in Australia. In one works in Sydney at the present time over 200 men are employed. It has been reported to me that whilst the duties I have submitted to the Committee are sufficient for the protection of steel and iron used for ordinary purposes they are not sufficient to adequately protect the manufacture of the higher grades

of steel. In view of the fact that the value of the high-grade steels is much greater than that of ordinary steel and iron productions this cannot be denied. I am, therefore, asking the Committee to agree to an amendment of the item, and I have submitted it in a particular form for a special reason. I think it would be a mistake at the present time to impose these duties in such a way that they would fall automatically on all classes of alloy steel. That would be a hardship in some cases for the simple reason that there are certain classes of alloy steels, which I do not think we will produce here for some considerable time, whilst there are other classes which we are producing. This is an industry more or less in its infancy, but it is developing rapidly in Australia. I have consequently asked the Committee to agree to the amendment in a form which provides for the imposition of the proposed duties by departmental by-law, so that as the industry develops we shall be able to make the duties operative where they are required, and at the same time admit free such classes of the high-grade alloy steel as are not being actually manufactured here. I am given to understand that the new organization to which I have referred, which has amalgamated with a big firm in Sydney, a branch of whose business is being started in Western Australia, proposes to considerably extend the range of alloy steels now being manufactured.

**Mr. MATHEWS.**—What retrogression for Western Australia that she should go in for manufactures!

**Mr. GREENE.**—Not at all. Western Australia, in common with every other State of the Commonwealth, is developing along these lines. Necessarily, development there is not as rapid as it has been in some of the other States for the reason that the local market in Western Australia is not so extensive. In this particular line of industry, however, there is a very considerable opening in Western Australia.

**Mr. GREGORY.**—There was until the mines were closed down.

**Mr. GREENE.**—The works for the manufacture of these alloy steels in Western Australia are practically complete. I understand that they will start

operations next month, and will give employment to a large number of men. The duties proposed in the amendment are moderate, and the form in which it is set out will permit of the free importation of alloy steels not manufactured here, whilst protecting those that are manufactured here.

**Mr. FOLEY** (Kalgoorlie) [2.48].—Whilst anxious to fall in with the wishes of the Committee and do my utmost to foster Australian industries, I wish to direct the attention of honorable members, and particularly of the Minister for Trade and Customs (Mr. Greene), to the fact that whilst, as the Minister has stated, there are works making these high-grade steels at the present time, they are not being made in sufficient quantity to meet the requirements of many industries. The industry I chiefly represent is the mining industry, and these high-grade steels will be used to a very considerable extent in mining. In the ordinary course of the treatment of our ores, we had the old battery system, and cyaniding and everything else went by the board. But to-day gold mining has got beyond that stage. It has reached the stage when the ore, after being broken underground, is handled once and then put into shoots, and that is the last time that human hands touch it, until it is carried down the flats from the various mines. We all recognise that that class of ore is now being treated better than it was under the old system of sending much gold down the flats, and putting it into slum dams. Upon one of our Western Australian mines, which unfortunately is not now being worked, owing to a disastrous fire which occurred there, the company has almost perfected its system of ore reduction. It has perfected it to such an extent that it is impossible to get out of the ore anything more than is being obtained at present. That ore is, therefore, a greater asset to Australia than it was before this scientific method of treatment came into vogue. I am sure that honorable members generally desire that we shall get the whole benefit of all the gold which we produce. These higher classes of steel are used to a very great extent in the up-to-date scientific processes of which I have spoken. They are used, not merely in the treatment of ores



upon gold mines, but also in the manufacture of reinforced cement. Upon the various cement works there are tube mills, and those mills consume a greater quantity of these steels than is produced in Australia. I want to see as much as possible of these high-grade steels manufactured locally. But I hope that the Minister will not allow this duty to operate until such time as he is absolutely sure that sufficient quantities of them to meet our requirements are being produced in the Commonwealth, in order that the prices charged to the mining and other industries in which they are used may not be made burdensome to them. I wish specially to stress the position in regard to reinforced cement. In the Western Australian branch of the Hume pipe industry, which is assuming very large proportions, these classes of steel will be used extensively. If the Minister will give me an assurance that the duty will not become operative until a sufficient quantity of high-grade steels is being manufactured in Australia, I will give his proposal my support.

Mr. MATHEWS.—Upon what date does the Minister intend that the duty shall become operative?

Mr. GREENE (Richmond—Minister for Trade and Customs) [2.52].—I am proposing that it shall become operative from to-morrow, except in so far as the departmental by-laws exclude those particular steels which are not being manufactured within the Commonwealth. In reply to the honorable member for Kalgoorlie (Mr. Foley), I say that we shall not collect the duties which are now proposed upon steels which are not being made in Australia in sufficient quantities to reasonably supply trade requirements. If the quantity of these steels manufactured locally be infinitesimal in proportion to the actual requirements of the country, I shall use the departmental by-laws to admit them free.

Mr. MATHEWS.—Unfortunately, the merchants will avail themselves of that provision in order to import large quantities and ultimately secure enhanced prices.

Mr. GREENE.—The honorable member does not appreciate exactly what I mean. We do not intend to impose duties upon all classes of steel immediately. We

propose to free a number of steels by departmental by-laws. Those which are being made in Australia in reasonable quantities will be protected. That is the reason for the inclusion in my proposal of the words "by departmental by-laws." I have no desire to burden the industries to which the honorable member for Kalgoorlie has directed attention.

Mr. FENTON.—The Minister will allow a sufficient quantity of these steels to come into Australia until the local manufacturers are able to supply our requirements?

Mr. GREENE.—I do not propose to regulate importations. These steels are of such value that nobody will import huge quantities of them for the purpose of holding them in stock. It would not pay to do that. Indeed, it would pay the cement, and other companies, which use these high grade steels far better to purchase their requirements from local manufacturers—even if they had to pay a little more for them—than it would to purchase large quantities of them, and hold them in stock against an emergency. If the companies which are interested in our mines and cement works can go direct to the local manufacturers when they see the special steel portions of their mills going to pieces, and order fresh supplies, it will pay them far better to do so than it will to carry heavy stocks of high grade steels.

Mr. GREGORY. — It is the wholesale houses which supply the individuals.

Mr. GREENE.—But as a general rule the merchants do not stock these high-grade steels. It is only certain special industries which require to use them, and consequently it would not pay the wholesaler to hold stocks of them against an emergency. Thus there is no fear that these expensive steels will get into the hands of the wholesalers. I would further point out that many of the castings required in certain industries, and particularly the larger castings, are needed for special machines. Special patterns are required according to the particular class of steel which is to be used.

Mr. GREGORY (Dampier) [2.58].—I fail to see why the Minister (Mr. Greene) could not have supplied honorable members last night with a copy of his proposal without announcing what the duties were to be. Should it be

found that his proposition will have a more far-reaching effect than is now apparent, I do hope that he will have no objection to recommitting the item.

Mr. GREENE.—Not the slightest.

Mr. GREGORY. — We are asked to sanction the imposition of high duties upon alloyed steel.

Mr. GREENE.—When the schedule has been dealt with, if the honorable member desires to have the item recommitted, I shall not raise the slightest objection.

Mr. GREGORY. — The honorable gentleman's proposal provides for the imposition of a very high duty upon alloyed steels. Such steels contain manganese. But the Broken Hill Company has been manufacturing manganese steel, and has been using manganese in the treatment of steel, for some time past. Those interested in the Barrier mines were recently compelled to get some of their supplies of manganese from Japan, with the result that some seven or eight months ago, representations were made to me by persons in Western Australia, who were anxious to ascertain whether they could not secure a market for Western Australian manganese. If a moderate priced article alloyed with manganese be subjected to the same duty as an alloy with molybdenum, the proposal may be more far-reaching in its effects than the Minister imagines.

Mr. MATHEWS. — Because of the different values of molybdenum and manganese?

Mr. GREGORY.—High grade carbon steel is produced by the electrolytic treatment. I can quite understand that those embarking upon the manufacture of these high-grade steels will, in the initial stage of their operations, require some measure of protection. I want honorable members to realize that as they increase the duties on the requirements of the mining or the agricultural community they decrease development.

Mr. FENTON.—The honorable member always argues that as the result of manufacturing such things here we shall have to pay more for them. That is a great blunder.

Mr. GREGORY.—It is not a blunder. The honorable member shuts his eyes to the facts.

Mr. FENTON.—No; I have my eyes open.

Mr. GREGORY.—I repeat that the honorable member is shutting his eyes to the facts. In the *Argus* of 3rd inst. the market quotations for octagonal steel went up to £95 per ton. These steels will be very expensive if their present prices are increased by 20 per cent. or 30 per cent. as the result of these duties, and the whole mining industry will be affected. I shall be satisfied, however, with the Minister's promise that he will not object to the recommitment of sub-item g if representations as to the desirableness of an alteration are made to him. The honorable member for Kalgoorlie (Mr. Foley) ought to bring this matter before the mining community. I agree with the Minister that the establishment of electrolytic steel plants at Perth, Sydney, or in any other city reasonably close to our big mining districts must be of value, provided that the prices of their manufactures are kept within reasonable limits. At the present time prices are soaring. I am aware that the Broken Hill Proprietary Company has been making manganese steel for some time, and I want to be certain whether the manganese steel would come in subject to this increased duty on the same terms as molybdenum steel.

Mr. FENTON (Maribyrnong) [3.3].—Large quantities of these raw materials have been sent from Australia to Belgium, Germany, and elsewhere to be turned into high-class steels, and the manufactured article is brought back to this country.

Mr. GREGORY. — What about the natural protection?

Mr. FENTON.—It is all very well for the honorable member to speak of the natural protection thus enjoyed; but the Minister has told us that big business firms on the other side of the world are coming here to establish works, giving us the benefit of their expert advice, and bringing with them experienced men. I honestly believe that, as the result of this, those engaged in mining operations will be able to obtain these classes of materials at a cheaper rate than before.

Mr. STEWART.—They should be able to do so.

Mr. FENTON.—And I believe they will. The honorable member knows that



when we were dependent wholly upon importations we were absolutely fleeced. If local competition were wiped out we should again become hopeless victims of the importing interests.

Mr. STEWART.—The same position would arise if all outside competition were removed.

Mr. FENTON.—No, because we can exercise some control over local combines, and check their nefarious operations. Does the Minister (Mr. Greene) think that he is providing sufficient protection under the general Tariff? Our local manufacturers will be subjected to competition coming chiefly from countries outside the Empire.

Mr. GREENE.—I think we are providing quite sufficient protection.

Mr. FENTON.—Then I have nothing more to say.

Mr. FOLEY (Kalgoorlie) [3.6].—I am not going into the question raised by the honorable member who has just resumed his seat, since it is one that might be discussed on every item. I want to deal with this proposal as it affects an industry which is of great value to Australia at the present time. In the Tariffs of 1908-11 and 1914 there appeared the following:—

Item 171—Manganese or chrome steel parts, viz.: Parts made of steel containing not less than  $\frac{1}{2}$  per cent. of chromium or not less than 7 per cent. of manganese which are used in grinding, crushing, or pulverizing machinery, and come in contact with the material ground, crushed, or pulverized; *ad valorem*, British, free; general, 10 per cent.

That line has been removed, and the parts covered by it are now being made dutiable under this item at 20 per cent. under the British Tariff, 25 per cent. under the intermediate Tariff, and 30 per cent. under the general Tariff. That is a very appreciable increase. In most of our mining districts the great bulk of the rock is broken by rock drills, and one or other of the classes of steel mentioned in the item now under discussion is used in the manufacture of those drills. The better the steel in the drills used by men working under contract in our mines, the more they are able to make. The Minister, therefore, is putting a direct tax on a material used in the manufacture of an implement essential to the mining industry. I do not want to pull a poor mouth in regard to the

mining industry, but I know that most of our mines which at one time produced tons of gold—I worked in a mine which used to produce 1 ton of gold per month—have now very reduced yields. Gold is of more value now than when our output was much larger, and the price we are getting for it depends, not upon Australian conditions, but upon foreign countries and the policy of foreigners.

Mr. STEWART.—The same applies to agricultural industries.

Mr. FOLEY.—I am as anxious as the honorable member is to see the agricultural industries assisted, but at the present time, every penny added to the cost of mining strikes a direct blow at the only commodity that can help Australia out of the "mud."

Mr. STEWART.—The only thing! What is it?

Mr. FOLEY.—Gold. If the honorable member produced 1,000,000 bales of wool away out in the bush, and could not sell it, of what good would the wool be to him?

Mr. CHARLTON.—Can a man eat gold out in the bush?

Mr. LAZZARINI.—Gold is the most unnecessary of all commodities.

Mr. FOLEY.—I have heard that argument before, but it is more necessary now to produce all the gold we possibly can than it was when we were producing greater quantities. When the production of gold was greater we had control of the price, but we have no control now.

Mr. FLEMING.—We are getting a premium on it now.

Mr. FOLEY.—From whom?

Mr. FLEMING.—From the people on the other side.

Mr. FOLEY.—And those are the people who can say how long we are to get the premium.

Mr. GREGORY.—We got a premium of £1,000,000 last year, and the total advantage to the country was a little over £300,000.

Mr. FOLEY.—But for the premium there would not have been two mines working on the Golden Mile at the present time. If gold is as "unnecessary" as has been suggested, it is, at the same time, a handy thing to have about one. When Victoria was suffering from the collapse of the land boom, the people of that State saw great virtue in the gold

produced in Western Australia, and it was that gold which extricated the whole of Australia, but particularly Victoria, from the financial troubles of the time. The gold we now produce is taxed to the uttermost.

Mr. FLEMING.—It is the same with the industrial metals.

Mr. FOLEY.—The Minister has informed us that this duty is not to be imposed until such time as the works established in Western Australia, and elsewhere, can produce sufficient of the commodity to meet the requirements of the mining industry, and I suggest that when he is considering that point he should, also consider, not only the classes of steel to which I have referred, but all classes of steel, of which these metals are component parts.

Mr. GREENE (Richmond—Minister for Trade and Customs) [3.15].—As to the point raised by the honorable member for Dampier (Mr. Gregory), I know that the Broken Hill Proprietary Company is making steel with a certain amount of manganese in it.

Mr. FOLEY.—It is good steel.

Mr. GREENE.—It is. The amendment is not designed to deal with this particular class of steel.

Mr. GREGORY.—But it does.

Mr. GREENE.—The honorable member will see that the item speaks of "alloy steels," which are enumerated as "introduced to impart special qualities to the steel," as "prescribed by departmental by-laws." Those by-laws must, of necessity, indicate the particular classes of steel to which they apply; that is to say, they will indicate the proportion of manganese. I cannot say for the moment what proportion of manganese it is designed to deal with, but it is a greater proportion than is used in ordinary manganese steels. There is a great difference between the steels which the Broken Hill Proprietary Company are turning out and the particular steel with which we wish to deal under this item. These latter are alloy steels, with special characteristics, not the class of steel which is being turned out in large quantities by the Broken Hill Proprietary Company, and it is proposed by the by-law to enumerate them from time to time as it becomes necessary.

The point raised by the honorable member for Kalgoorlie (Mr. Foley) is connected with a former item, 171, and

the amendment before us does not cover the articles there mentioned, and which now fall under item 170.

Amendment agreed to.

Item, as amended, agreed to.

Item 137—

Aluminium and nickel, viz.:—Blocks, cubes, ingots, pigs, scrap and granulated; bars, pipes, plates, rods, sheets, strips, and tubes, not polished, plated, decorated, or further manufactured. Free.

Mr. GREENE (Richmond—Minister for Trade and Customs) [3.19].—I move—

That the following words be added:—"And on and after 10th June, 1921, aluminium and nickel, viz.:—

(A) Blocks, cubes, ingots, pigs, scrap and granulated; angles, bars, pipes, plates, rods, sheets, strips, tees, and tubes, not polished, plated, decorated, or further manufactured. Free.

(B) Aluminium wire—ad val., British, 10 per cent.; intermediate, 15 per cent.; general, 20 per cent."

If honorable members will look at the item as it stands, they will see it differs from somewhat similar items covering special metals, in that it omits from the enumeration two articles, angles and tees. This, apparently, was an oversight, and we desire to include them, because now they fall automatically under the manufacture of metal items, and are subject to a duty of 35 per cent. to 45 per cent. That was not intended, and we propose to include them in item 137. The only aluminium product on which I desire to place a duty is aluminium wire.

Mr. GREGORY.—Are they proposing to make aluminium wire here?

Mr. GREENE.—Yes.

Amendment agreed to.

Item, as amended, agreed to.

Item 138 (Antimony, &c.), agreed to.

Item 139 (Brass, &c.).

Mr. GREGORY (Dampier) [3.23].—Will the Minister agree to postpone this item until Item 140 (Copper) has been considered? There is a co-relation between the two.

Mr. GREENE.—I do not mind postponing the item; but, as the two are related, I do not see why they cannot be discussed together.

The TEMPORARY CHAIRMAN (the Hon. D. Watkins).—If the honorable member desires to debate both brass and copper on this item, I see nothing to prevent him doing so, inasmuch as



one is connected with the other, and such a course will save time.

Mr. GREGORY.—My only object is to save the time of the Committee. We are asked to pass an *ad valorem* duty on a product which may be £60 per ton to-day and £120 per ton to-morrow. Of course, the market does not fluctuate so rapidly, but copper has been £56, £58, £60, and up to £160 per ton. If an *ad valorem* duty of 45 per cent. is fair now on copper wire and brass wire, with copper at from £70 to £74 per ton, what will it be if the price of copper goes up? I am satisfied from what I have read about the copper market that prices are going to increase; and if copper goes to £120 per ton, we should be still giving 45 per cent. profit to the manufacturers of copper wire in this community.

Mr. HECTOR LAMOND.—Perhaps the manufacturers will not take advantage of it to raise their prices.

Mr. GREGORY.—That is the whole point. I appeal to all honorable members who want to see telephonic communications established throughout the country districts. I shall show the Committee how the manufacturers have taken advantage of the Tariff.

Mr. HECTOR LAMOND.—You cannot show that.

Mr. GREGORY.—I shall prove it by sworn evidence tendered before the Public Works Committee. Recently three big telegraphic and telephonic communication undertakings were referred to that Committee—Perth to Eucla, Melbourne to Sydney, and Sydney to Brisbane. The price quoted by the Government in the estimate laid by them on the table of the House only recently was £168 per ton. I began to inquire why that big price was being paid.

Mr. WEST.—That is drawn wire?

Mr. GREGORY.—Yes, 200 lbs. to the mile. I am sure the honorable member will agree that there has been a big overcharge when I relate the facts. When the Committee went to Brisbane I was not there, but we had been making inquiries into the methods of contracting. The Deputy Postmaster-General, in Brisbane, on 7th March, said he received advice that morning that the price would be £154 per ton. When the matter came before me again I was more persistent, and on 30th April,

in the *Government Gazette*, fresh tenders were called, and the price for the same type of wire was £129 10s., or £130 per ton. In sworn evidence before the Committee it was pointed out that in pre-war days the Postal Department estimated the cost of their copper wire at from £15 to £17 per ton over the price of electrolytic copper. Therefore, if electrolytic copper was £70 per ton, they would estimate the cost of their wire at £87, and that margin of £17 covered the cost of manufacture in the Old Country, its freightage here, and, in fact, all charges and profits. We were told in evidence the other day that for a small parcel £180 per ton was asked, or £80 for the drawing of the wire.

Mr. WEST.—What gauge?

Mr. GREGORY.—Small wire, about 50 lbs. to the mile.

Mr. HECTOR LAMOND.—What quantity and what gauge?

Mr. GREGORY.—It was a small quantity and a small size for telephonic purposes. But in the prices generally that that firm were obtaining from the Government, their average demand was £60 a ton over the price of electrolytic copper. It is fair to assume that since pre-war days the cost of production has doubled, and that, therefore, what cost £17 before the war costs £34 to-day. Taking even the last contract that was obtained, with wire at £130 per ton, and copper at only £74 per ton at the time, is a margin of £56 a ton fair? The Minister, when dealing with the duty on copper, pointed out that some of this had been based on the cost of production. What has the cost of production to do with Government contracts or with the Minister in fixing his Tariff regulations? A duty on copper itself is absolutely useless, except to the associations that control the output in Australia. It is of no benefit whatever to the producer, who has to depend on the markets of the world for his return. The organizations that control the output do not buy at the cost of production at all. From information which I have received from the company's own representative, I understand that the plant which has been established at Port Kembla is controlled by the Mount Morgan, Mount Lyell, Mount Outhbert, and the Kembla people, so the duty is being imposed entirely in

their interests. The Inter-State Commission stated that from £3 to £5 per ton would be a fair amount as bounty or duty for drawing the wire or making the sheets; and I should say that, allowing for the general all round increase in recent years, an increase to £8 or £10 per ton at the present time would be fair. Copper is always increasing or decreasing in value, and, this being so, how can honorable members pretend it is a fair thing to fix the duty upon the *ad valorem* value of the product? Five or six years ago copper was selling at below £60 per ton. During the war it rose to over £160 per ton. At present I think it is selling at about £77, and, according to an article that appeared in the *Times* recently, there is going to be an advance in market rates. Throughout the war there was an enormous demand for copper, so much so that the production of copper goods for the general community ceased, in order that the entire output could be devoted to war purposes; and, although an enormous quantity is stored in the United States of America, it is held in strong hands, and, as I have said, the general belief is that the market price is going to advance.

Sir GRANVILLE RYRIE.—It ought to be a good thing to buy shares on that information.

Mr. GREGORY.—I do not pose as an expert authority. The Minister may look up the article himself, and draw his own conclusions. If 45 per cent. *ad valorem* is a fair duty with copper at £70 per ton, will it not be far too much with copper at £100 or £120 per ton? Why should all the profit arising from such an increase go to this syndicate?

Mr. HECTOR LAMOND.—Copper cannot be produced in Australia for £70. The honorable member knows that.

Mr. GREGORY.—Is it not strange that an honorable member who is carrying on a manufacturing industry should be asked to pay £100 per ton for standard, not electrolytic, copper, whereas after pressure he should get a rebate of 25 per cent.? Standard copper is only £5 or £6 per ton less than electrolytic copper in price, although, formerly, it was from £10 or £12 per ton less. The small manufacturers have to go to these big people, who are charging them £100 per ton for standard copper, which, according to the latest return, is selling in the open market at £72

per ton, while electrolytic copper is sold at £76 and £77 per ton. I know perfectly well that the copper mining industry in Western Australia was strangled by the action of the Government in authorizing control of the industry by the Copper Producers Association. In the division represented by the honorable member for Kalgoorlie (Mr. Foley), the producers, instead of being able to send their product to America, where the price was very good, or to the Mother Country, were compelled by the Government to send it to the Port Kembla works, where they got £115 per ton for it, as compared with the London price of £150 per ton.

Mr. BELL.—The Government are not doing that to-day.

Mr. GREGORY.—I am aware of that. I am dealing with the effect of the *ad valorem* duty in this item, and I am endeavouring to impress on the Committee the nature of the strangle-hold which this Combine is getting upon the industry. I want to stress the point that the duty is valueless to the producer himself and that the Mount Lyell, Mount Morgan, and Mount Cuthbert concerns, which were engaged in the manufacture of these products, are closed at the present time. Although the Chamber of Mines in Western Australia has declared that this Tariff means an added cost of over 6d. per ton on all the ore treated, yet, so far, we have heard not one word of complaint from these organizations as to the effect of the duty on working costs. To my mind it is due to the fact that the special duties provided in this Tariff will give them a *quid pro quo* in the form of excessive protection.

Mr. HECTOR LAMOND.—If the Tariff is imposing increased working costs, should they not have compensation?

Mr. GREGORY.—How are we to give the compensation to the smaller mines? It is not as if there were only three copper mines in the Commonwealth.

Mr. HECTOR LAMOND.—How does the duty on copper handicap the sale of the products of the smaller mines?

Mr. GREGORY.—It is useless, but this enormous *ad valorem* duty upon this product will increase the price of telegraphic and telephonic material, copper



utensils, and everything required by the smaller manufacturers, in proportion to the amount of the duty, and yet do nothing to help the copper miner. Australia produces not more than 3 per cent. of the world's copper output, but that quantity is ever so much more than is likely to be utilized in Australia for many years to come unless our population increases fourfold or fivefold. I desire these facts to be impressed upon the Committee. America has been treating copper ore averaging 1.6 per cent. of copper, and according to the last return that I saw copper ore averaging 1.7 per cent. was being profitably handled. There are no mines working in Australia on anything like such low-grade ore. That indicates the necessity for Australian copper producers employing the most up-to-date methods and being able to get at reasonable rates the latest machinery in order to make their mines profitable. There was a magnificent copper proposition in the north-west of Western Australia, and the company spent an enormous sum of money upon a leaching plant which proved a failure. The company, instead of being permitted to send the ore abroad for treatment, was compelled to send it to Port Kembla, and when copper was worth £115 per ton, the returns from 11 per cent. ore did not pay realization and treatment charges.

Mr. GREENE.—That is very low-grade ore.

Mr. GREGORY.—The Minister can know nothing about copper mining if he says that 11 per cent. ore is low grade. The average percentage of the ore worked in the United States of America in 1903 was 1.67; in 1914, 1.6; and in 1916, 1.7.

Mr. FOLEY.—Only very high-grade ore could be profitably sent to Port Kembla for treatment.

Mr. GREGORY.—That is what I am trying to emphasize, because the producers in Western Australia have not received very good treatment from those works. I have a list, which was prepared in November last, of the prices of copper in America, Great Britain, and Japan, and it shows that, although this duty was in operation at that time, there was only a fractional difference between the figures for those countries and those for the Colonial Ammunition Works.

Therefore, the statement that the duty does not mean increased cost to the consumer is incorrect. The people of Australia have to pay for copper an increase representing the full amount of the duty. I do not know whether copper sheets are charged for on the same scale, but the Postal Department to-day allows about £60 per ton for the local drawing of copper wire weighing 200 lbs. to the mile. The Inter-State Commission, when reporting upon copper in 1916, said—

From information, however, available in connexion with iron and steel, the Commission is of the opinion that a bounty of £3 per ton should be ample to cover the extra cost of electrolytic refining and completing the finishing processes of rolling copper plates and bars, but that an extra bounty of £2 per ton should be given for the manufacture of copper and brass pipes and tubes and the drawing of copper wire. These bounties of £3 and £5 per ton respectively are only about 5 per cent. on the price of the goods named, and there would be ample compensation for such outlay in the initiation of the industry locally and the great benefit of having a supply of copper and brass manufactured goods ready at hand for all the varied requirements of the Commonwealth.

The Commission has no information on which it can arrive at a conclusion as to the assistance required to enable covered and insulated cable and wire to be manufactured locally, the varieties of size, weights, and covering materials being very numerous.

#### RECOMMENDATIONS.

1. That the following bounties be granted:—

- (a) £3 per ton on all copper or brass plates, sheets, and bars, and
- (b) £5 per ton on all copper or brass pipes, tubes, and wire,

manufactured in Australia from copper produced and refined within the Commonwealth.

These bounties should provide a fair stimulus to manufacturers to initiate the industry, and the Commission recommends that they be continued for a period of not less than five years, at the end of which the bounties could be reviewed, as full information as to costs of production would then be available.

In order to prevent the undue inflation of the cost of refining to be paid by mining companies, the Commission would suggest that a supervision of the prices charged for treatment by the refining companies should be instituted. To permanently prohibit the export of copper ores, matte, and blister without some such supervision will give the refining companies an undue monopoly which may react on the copper mining industry.

Mr. GABB.—I draw attention to the state of the Committee. [*Quorum formed.*]

Mr. GREGORY.—I do not propose to deal further with brass; but when the

Committee is considering the item of copper I shall move for a duty to be placed on copper imports at so much per ton.

Mr. GREENE.—The honorable member wants a fixed duty instead of *ad valorem*?

Mr. GREGORY.—Yes.

Mr. MATHEWS.—Is the honorable member moving to increase the duty?

Mr. GREGORY.—I am sorry that the honorable member was not present when I explained my intentions and my views regarding the cost of copper wire. I may say, here, that in connexion with one small parcel of copper ore, the pre-war cost was £17 per ton. In one instance, the quotation given by the Port Kembla people to the Government was £80 per ton over the price of electrolytic copper, while the average price was about £60 per ton above. With the imposition of an *ad valorem* duty, and copper rising another £20 per ton, we are making those people at present, as against the foreign producers, of 45 per cent. on the £20. It will not mean 1d. extra for the people employed in the industry, or 1d. additional cost, except solely in regard to the sum to be paid for the copper itself.

Mr. GREENE.—Does the honorable member propose to make copper ingots free?

Mr. GREGORY.—I have no objection to their coming in free, for that would not affect us in the slightest degree.

Mr. GABB.—I think we ought to have a quorum. [*Quorum formed.*]

Mr. GREENE (Richmond—Minister for Trade and Customs) [3.55].—I do not propose to deal with copper in discussing the present item. I desire now to amend the item under consideration, and, when the Committee is dealing with the next, I shall have something further to say specifically concerning copper. I move—

That the following new sub-item be added:—  
(D) Brazing and soldering alloys in any form—on and after 10th June, 1921—Ad val., British, 15 per cent.; intermediate, 20 per cent.; general, 25 per cent.

Brazing and soldering alloys are composed of such metals as lead, tin, brass, copper, &c., and are put up in forms such as grain or hollow wire as well as in rod. We have rods dutiable at present, and it

is desirable that all these alloys should be specifically included in the Tariff. There is no reason to discriminate between the various forms in which they are put up. By this amendment it is proposed to make all dutiable.

Amendment agreed to.

Item, as amended, agreed to.

Item 140—

Copper, viz.:—

- (A) Block, Ingot, Pigs, Scrap, ad val., British, 10 per cent.; intermediate, 15 per cent.; general, 20 per cent.
- (B) Angles, Bars, Plates, Rods, Sheets, Strips, and Tee, not plated, polished, decorated or further manufactured, but including plain, tinned, ad val., British, 25 per cent.; intermediate, 35 per cent.; general, 40 per cent.
- (C) Pipes and Tubes, not plated, polished, decorated or further manufactured, but including plain tinned; Wire, including stranded or twisted wire, ad val., British, 30 per cent.; intermediate, 40 per cent.; general, 45 per cent.

Amendment (by Mr. GREGORY) proposed—

That the following words be added to sub-item A:—"And on and after 10th June, 1921, free."

Dr. EARLE PAGE (Cowper) [3.58].—

This is one of the items in the Tariff which is approached from the wrong angle when consideration is given to the stimulation of secondary industries. The production of copper in this country is one which, by itself, has not been able to pay its way. Mount Morgan would not be able to turn out copper at all if there were not gold in the ore there. In the circumstances, the proper way in which to deal with the matter is not by putting a duty on copper, but by granting a bonus on the whole of the copper produced. That would help all the secondary industries which have been built up with copper as their basis. The imposition of a duty of 10 per cent. on copper ingots simply means that the subsequent protection on the subsidiary secondary industries is lessened by that amount, that is to say, an apparent protective duty on brass or bronze manufacture of 25 per cent. is simply a protection of 15 per cent. To carry the duty right through needlessly increases the cost of these secondary manufactures. This opinion is supported by the report of the Inter-State Commission in 1916, in which



the Commissioners did not recommend the imposition of duties, but that a bounty of £3 per ton be given upon all copper or brass plates, sheets and bars, and £5 per ton on all copper or brass pipes, tubes and wire; manufactured in Australia from copper produced and refined within the Commonwealth. Most of the secondary industries which use copper at all are able to employ that form of the metal which is obtained by roasting. Unfortunately, at present, I do not think any copper is available in Australia which is not electrolytic, and the subsidiary industries are accordingly further penalized by the £4 or £5 difference in the price between standard and electrolytic copper.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [4.1].—The Inter-State Commission reported on the copper industry before copper was being manufactured in this country, and with all respect to its members I say that it would have been better for them to wait for more information before making a recommendation.

**Mr. FENTON**.—And 1916 is now a good way off.

**Mr. GREENE**.—Yes. The Commission's report seems to me to bear internal evidence that the Commissioners did not give the subject the consideration it deserved. They recommended a bounty to establish the industry, based on the cost of rolling, and they compared the cost of rolling copper with that of rolling iron and steel. But the cost of rolling is affected by the amount of material to be rolled, it costing proportionately much less to roll many thousands of tons than to roll a few hundredweights. Consequently, in the circumstances reliance should not be placed on the report of the Inter-State Commission as to what would be sufficient protection for this industry. The Commission had in contemplation the starting of the copper industry in a small way, to be built up gradually; but we have now to deal with a different set of circumstances. When the war broke out the Commonwealth had not the means for manufacturing its copper requirements, and for the making of ammunition there is nothing so necessary as a copper manufacture. The war created such a demand for copper that Australia could not obtain the

copper it required, and before the Nationalist Government was formed the Ministry of the day took steps to get the manufacture of copper started in this country as soon as possible. Thus the Port Kembla works came to be established, and there to-day a very large part of the copper requirements of the country are being manufactured. The company is willing and ready to extend its operations, because the use of copper is increasing in Australia, especially through the extension of electrical plants everywhere. Indeed, the increase in the use of copper is something to be marvelled at, and I think that within a comparatively short space of time we shall be making all the copper we require, and utilizing every ounce of copper that we mine.

**Mr. GREGORY**.—Yes; if the copper mines remain closed.

**Mr. GREENE**.—At present, of course, we are using more copper than our mines are producing. The honorable member for Dampier, speaking earlier in the afternoon, expressed the opinion that the duties on copper should be fixed rates, one of his reasons being the fluctuation of the price of copper. But this fluctuation of price makes me prefer *ad valorem* rates. The price of copper more than that of any other metal is controlled by powerful commercial influences. Whatever the copper organization may be in Australia, it is an infant, both in size and in experience of the wiles of the business world, compared with the huge Combine that controls the copper market outside Australia.

**Mr. GREGORY**.—The Australian organization has some strange rules in its articles of association.

**Mr. GREENE**.—I do not understand the obsession of the honorable member's mind by this particular combination. Why should we leave our producers of copper at the mercy of an organization outside Australia, which controls the markets of the world, and dictates to the producers what they shall accept for their ore? The copper quotations are the prices at which this organization says that copper shall be sold. I cannot say what justification there is for the fears of the honorable member for Dampier, but knowing what I do of the organization outside, I set to work to arrange first of

all for the protection of the local production of copper, and then for the building up of an industry which within a comparatively short space of time will use all the copper ore that our miners produce. Hence I have proposed duties on the ingot. Every one knows that the cost of mining copper in this country is considerable. The actual cost of producing it, independent of the precious metals usually associated with it, is greater than its present market price, and often greater than the price to which the Combine outside permits the copper market to go.

Mr. GREGORY.—Do you think that we can make a copper market of our own?

Mr. GREENE.—I believe that we can. I felt that it was desirable to protect our miners from the ill-effects of the manipulation of the copper market outside.

Dr. EARLE PAGE.—If you do that you must make the secondary duties much higher.

Mr. GREENE.—We have, of course, to carry the protection right through the industry, and, therefore, none but *ad valorem* rates would suit. If we imposed a fixed rate of, say, £15 a ton, and the cost of producing copper in this country were £90 a ton, and its price outside Australia £65 a ton, the duty would be ineffective. Whenever the price of copper outside fell much below the Australian cost of production, the local manufacturing industry would have to import copper in ingots, or shut down. So it seemed to me desirable that an *ad valorem* duty should be imposed and arranged in such a way as to protect in the first place the local producer of copper, and then the local manufacturer of copper into the finished article.

Mr. FENTON.—The outside organizations have the power to "bull" or "bear" the market as they please.

Mr. GREENE.—I think so. I do not know that it is necessary for me to say any more on this subject. I admit frankly that at present the use of copper in Australia does not cover the whole of our production.

Mr. GREGORY.—The whole? Why does not the Minister quote some figures to show the disparity?

Mr. GREENE.—But it does cover a considerable amount; how much, it is difficult to estimate.

Mr. GREGORY.—Let the Minister take our pre-war imports.

Mr. GREENE.—I know that the company has increased its output during the last twelve months more than five times. The manufacturers of brass, who use 60 per cent. of copper in their processes, have increased by leaps and bounds their consumption of copper. I am inclined to think, considering the various uses to which copper is applied in this country, that we have now reached a stage at which we are consuming practically one-half of our actual production. If one could suppose, as I think he reasonably may, that the increased use of copper in the near future will be proportionate to the increase of its use during the past few years, we cannot be far removed from the time when we shall be consuming most, if not the whole, of our total production.

Dr. EARLE PAGE.—We soon will if the Clarence River electrification scheme is undertaken.

Mr. GREENE.—The honorable member has reminded me that a number of works are in contemplation throughout Australia for the development of electric power, and by full development of electric power the use of copper will be multiplied tenfold. The Morwell scheme here, even in its initial stages, will require hundreds if not thousands of tons of copper. When its operations are extended far and wide the quantity of copper that will be required to convey the electric current to the various places in which it will be used will be simply phenomenal. The scheme to which the honorable member for Cowper (Dr. Earle Page) has referred of harnessing the waters of the Clarence for the production of electricity will, I hope, be brought to fulfilment some day, and it also will require many thousands of tons of copper. We are, as I have said, rapidly approaching the time when we shall consume in Australia practically the whole of the copper produced in the country.

Mr. HECTOR LAMOND (Illawarra) [4.20].—After the very exhaustive debate we had on the iron and steel duties, and



until stronger arguments are advanced against the duties on copper proposed by the Minister than have been so far advanced, I shall not attempt to argue the question at length. I think that it is a misfortune that the honorable member for Dampier (Mr. Gregory) lived so long before the war. Since the war he appears to have lived in obscurity, as he does not seem to be able to adjust his views to the entirely changed conditions of Australia. The honorable member quotes the figures of markets before the war. His eyes appear to be entirely closed to the fact that every foundation upon which those figures rest was shaken by the war. The position in which Australia finds itself to-day is as far removed from its position in 1914 as the Middle Ages were removed from the end of the nineteenth century. We are living now under entirely different conditions from those which prevailed before the war. Figures quoted from the pre-war period are of little or no use to us as guides in considering financial or social conditions, or in the consideration of the Tariff. The whole of our previous landmarks have disappeared, and an entirely new set of circumstances confront statesmen of to-day. The honorable member has referred us to a quotation for a small parcel of wire that went to a very high price. He would have gained more information if he had considered what our imports of copper were during the war, and how much they cost, and had further considered the record of this particular industry at Port Kembla. He would have found that the moment that industry started to produce copper wire the price of the wire to the Australian consumer commenced to tumble down. During successive years Australian consumers were charged by foreign manufacturers as high as £200 per ton, but Mount Kembla commenced the manufacture of the article, and next year the price was £170; in the following year it was £140, and I do not know how much lower it is to-day. Within two months of the Mount Kembla people being in a position to deliver copper wire to Australian consumers, the Japanese manufacturers of the article cut their prices by one-half. This has been the experience, not only of this particular industry, but of every industry that is affected by the Tariff. The farmer thinks

that he will get cheap agricultural machinery by importing it from abroad; but if there is no competition in Australia he will not get anything cheap by importing it from abroad. The manufacturer abroad expects to exploit this market, and he will get the highest price for his goods that he can obtain. That price is limited only by the ability of the industry in which his manufactures are used to pay, unless there is internal competition against his manufactures. The history of manufactures in this country has been that the goods were in the first instance introduced entirely from abroad, and subsequently manufactured here. It was only when imported productions were brought into competition with local manufactures that there was any reduction in price. By the establishment of local manufactures we do not add to the cost of the article produced, but in almost every instance the ultimate result has been to reduce to the consumer the cost of the manufactured article. If honorable members who are engaged in agriculture will consider the prices they have paid for articles they have used for the past twenty years, they will find that none of the arguments, which appear so plausible when presented in the guise in which the honorable member for Dampier (Mr. Gregory) has presented them, carry any weight at all. I hope that, in connexion with this item, the Committee will repeat the decision at which it arrived in dealing with the previous items affecting another great basic industry. Honorable members should rejoice, as I do, that, because of circumstances due to the war, we have developed our industries to the extent we have. Nothing has given me greater pleasure during the past year than to look around and notice the enormous strides which local manufactures have made. If this Parliament can do anything to help them, it is certainly our duty to give them all the protection possible. We must bear in mind that, whilst this Parliament has the power, through the Tariff, to give local industries a fair chance, and the power by Protection to secure the establishment of those local industries, they are on the spot, and subject to our laws. While we have them in that position, if those engaged in them do the things which it is alleged by some that they will do, the fault will be ours,

because it is in the power of this Parliament to prevent them doing those things. I hope that the item will be passed in the form submitted by the Minister for Trade and Customs.

Amendment, by leave, withdrawn.

**Mr. GREGORY** (Dampier) [4.25].—The last speaker has indulged in a lot of generalities, and has submitted no proof in support of the statements he has made. Surely the question we have to consider is whether or not the duty proposed in connexion with the copper industry is justified. I am quite prepared to do the fair thing by any Australian industry, but I say that the duties proposed in this case are preposterous, and there has not been the slightest effort to controvert that statement. The Minister for Trade and Customs (Mr. Greene) has expressed his preference for an *ad valorem* duty on this item instead of a fixed duty, and has told us that he cannot agree with the report of the Tariff Commission. Where did the honorable gentleman get his information? How was it possible for him to obtain information that was more reliable than that which the Tariff Commission was in a position to secure? I do not propose to depend entirely on the opinions of the officers of the Trade and Customs Department. The Minister can secure reports on these questions, but they are one-sided reports.

**Mr. HECTOR LAMOND.**—They could not be much more one-sided than were some of the reports of the Inter-State Commission, particularly the report in connexion with boots, which was not only one-sided, but quite impracticable.

**Mr. GREGORY.**—The Commission in making its investigations took sworn evidence. We have the same trouble through the whole piece. We are asked to rely upon departmental reports, because surely the Minister for Trade and Customs cannot claim that he has special personal knowledge in regard to all these matters.

**Mr. HECTOR LAMOND.**—He has special channels of information.

**Mr. GREGORY.**—He has departmental channels, and may obtain information from those interested in the duties.

**Mr. HECTOR LAMOND.**—Sources of information which the Commission did not exploit.

**Mr. GREGORY.**—Those interested in the various industries put only one side of the question before the Minister, and I therefore say that I am justified in considering the report of the Tariff Commission, and putting its suggestions before the Committee. Although the Tariff Commission said that from £3 to £5 per ton was a fair bounty on this article, I say that, in connexion with the duty, it ought to have been more on account of war conditions. I am quite content to give a larger amount than that suggested by the Tariff Commission. The Minister has very carefully ignored a most important point. I have pointed out that officers of one of the Government Departments, in sworn evidence before the Public Works Committee, stated that they estimated the cost of copper wire in Australia at from £15 to £17 per ton over the price of electrolytic copper. The price they are paying to-day is from £56 to £60 per ton over the price of electrolytic copper, and I say that a Tariff impost of 45 per cent. is in the circumstances an unfair tax upon the people of Australia.

**Mr. HECTOR LAMOND.**—The price of electrolytic copper in Australia is from £25 to £30 per ton more than the outside rate at the present time—a fact which the honorable member overlooks.

**Mr. GREGORY.**—I am not overlooking it. I say that there is a combine between Mount Kembla, Mount Lyell, and Mount Morgan.

**Mr. HECTOR LAMOND.**—The honorable member says that now, but that is not what he said when referring to the Mount Morgan mine a week ago.

**Mr. WATT.**—But that was last week.

**Mr. GREGORY.**—I was directing attention to the fact that by the imposition of these duties the Minister for Trade and Customs is making the carrying on of industries a very expensive matter. I do not know the quality of the Mount Morgan ore, but I know that it is not nearly so low as the average ores that are being treated in America. If we do not adopt up-to-date methods and decrease where we can the cost of production we cannot expect our mines to



pay, and they must close down, and unemployment be rife all over the country. According to the contracts let by the Postal Department the Commonwealth is paying £50 or £60 per ton for drawing wire. If copper rises to £100 per ton we shall, under this proposal, be placing an increased duty upon all our copper products.

**MR. HECTOR LAMOND.**—If the price of copper rises to £90 per ton, two-thirds of the honorable member's argument will go by the board.

**MR. GREGORY.**—Not at all. The Minister's statement in regard to our consumption of copper was a preposterous one. According to the *Year-Book* of Australia our production of copper in 1915 was valued at £4,600,000, in 1917 it was worth £4,800,000, and in 1918 its value was £4,464,000. Unfortunately, the publication which I have quoted does not give the total tonnage of copper produced. In 1913, which was the year prior to the outbreak of war, the value of our copper imports was £295,000. In fixing these duties we have to remember that our copper producers have to compete in the markets of the world. The price of copper is not fixed by a combine, but by the London Metal Exchange. There may be times when its value varies slightly, but the Minister (Mr. Greene) must know that, although America is producing more than 50 per cent. of the world's copper output, other countries are also producing this metal in large quantities. The proposed duties upon copper will be of no value to the ordinary copper producer, because he has to sell his product in the markets of the world. I move—

That the following words be added to sub-item B:—"And on and after 10th June, 1921, per ton, British, £8; intermediate, £12; general, £15.

**Question.**—That the words proposed to be added be so added—put. The Committee divided.

Ayes	..	..	..	7
Noes	..	..	..	32

Majority	..	..	25
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AYES.

Bowden, E. K.  
Cook, Robert  
Fowler, J. M.  
Gibson, W. G.

Wienholt, A.  
*Tellers:*  
Gregory, H.  
Stewart, P. G.

NOES.

Atkinson, L.  
Bamford, F. W.  
Bayley, J. G.  
Bell, G. J.  
Best, Sir Robert  
Cameron, D. C.  
Chapman, Austin  
Charlton, M.  
Cook, Sir Joseph  
Corser, E. B. C.  
Fenton, J. E.  
Foley, G.  
Foster, Richard  
Francis, F. H.  
Gabb, J. M.  
Greene, W. M.  
Groom, L. E.

Higgs, W. G.  
Lamond, Hector  
Lister, J. H.  
Livingston, J.  
Mackay, G. H.  
Mahony, W. G.  
Maloney, Dr.  
Mathews, J.  
Rodgers, A. S.  
Ryrie, Sir Granville  
Smith, Laird  
Watt, W. A.  
Wise, G. H.

*Tellers:*

Burchell, R. J.  
Story, W. H.

Question so resolved in the negative.

Amendment negatived.

Item agreed to.

Item 141—

Lead sheet, and lead piping, ad val., British, 10 per cent.; intermediate, 15 per cent.; general tariff, 20 per cent.

**MR. FENTON** (Maribyrnong) [4.43].—I understand that a request has been made for an increase in the duties proposed in this item, and in view of the cost of lead production in Australia I am hopeful that the Minister will extend sympathetic consideration to it. In order to put the industry upon a stable basis, it would be a fair thing to increase the duties to 20 per cent. under the British preferential Tariff, 25 per cent. under the intermediate Tariff, and 30 per cent. under the general Tariff.

**MR. GREENE.**—I have looked into that complaint.

**MR. FENTON.**—In a circular letter to honorable members it is stated—

The position, however, at present in regard to this industry is that, owing to the high cost of lead production in Australia and the tremendous slump in metal prices throughout the world, the Australian manufacturer is paying for his pig lead £27 10s., whereas the English manufacturer can purchase his pig lead at about £6 10s. per ton less.

I fear that, unless increased protection be granted to the sheet lead and lead piping industry, it may possibly be wiped out. At any rate, I would like the Minister to consent to slightly higher duties being levied upon this item than those which are now proposed.

**MR. GREENE** (Richmond—Minister for Trade and Customs) [4.45].—I have looked into the matter which has been mentioned by the honorable member. The position of which he has spoken is

merely a passing one, and the difficulty which he has stressed cannot possibly last. That is why I do not feel disposed to interfere with these duties. Australia is one of the biggest producers of lead in the world, and what we are manufacturing is a mere bagatelle to what we actually use. As a rule, the Australian user of lead is in a little better position than are those in countries overseas.

**Mr. FENTON.**—Then why is the Australian manufacturer paying more to-day?

**Mr. GREENE.**—I anticipate that the position is that certain contracts have been entered into covering a certain period at a certain price, and that the market has since fallen. That is an ordinary trade happening, and I do not see why I should be called upon to alter a duty to meet such circumstances. I imagine it to be a purely business difficulty in which the manufacturer has become involved. One cannot help feeling a certain amount of sympathy for him, but I would point out that under this particular item I have provided for duties which have not previously been in the Tariff. The local manufacturer was carrying on to some extent before any duty was imposed, and I think the duty for which I have provided in all the circumstances is sufficient.

Item agreed to.

Item 142 (Platinum), and item 143 (Scrap iron and steel) agreed to.

Item 144 (Zinc and spelter).

**Mr. STEWART** (Wimmera) [4.47].—According to a document that I have before me, the price of spelter in England and America to-day is £25 per ton, whereas in Australia it is £33 per ton. If it be correct that spelter, although produced here, is dearer in Australia than in the markets of the world an explanation is required. Will the Minister state whether these figures are correct; and, if so, what is the explanation?

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [4.48].—I cannot say whether or not the figures quoted by the honorable member are correct, but I have had some complaints recently that spelter is costing more in Australia than outside. Here, again, we are dealing with an industry which was established in this country as the result of the war. The production of spelter before the war was

almost entirely in German hands. After the outbreak of war it was considered most desirable that an effort should be made to manufacture spelter within the Empire, and with that object in view the Government encouraged a company to enter upon the establishment of the industry in connexion with the hydro-electric works in Tasmania. Spelter, like a number of other things, has been subject to very heavy market fluctuations during the last few months, but I anticipate that the position will rectify itself before very long. I can only suggest that probably the same difficulty has arisen in this case as has arisen in connexion with lead.

**Mr. STEWART.**—Spot spelter is quoted to-day in England at £26 5s. per ton.

**Mr. GREENE.**—I anticipate that the people who are complaining have entered into contracts for the supply of a certain quantity of spelter over a definite period at a definite price, and it may be that they are paying for their spelter to-day a little more than the market price. We cannot expect everybody to immediately cancel their contracts when the market falls.

**Mr. STEWART.**—No. I fall in with that argument, because I have been using it lately in regard to wheat.

**Mr. WATKINS** (Newcastle) [4.51].—I have here a letter in which it is stated that the price of spelter in Australia to-day is considerably in excess of the price ruling in England and America. This matter has some bearing on a later item dealing with galvanized iron plates. In a letter dated 19th ult., which I have before me, it is stated that spelter in England and America are selling at £25 per ton, whereas in Australia the price is £33 per ton. It is somewhat remarkable that here, where we produce spelter, the price should be higher than in England. The higher price is put down to abnormal conditions.

**Mr. GREENE.**—I have just dealt with that point. I think the position is that certain contracts have been entered into here for the supply of spelter over a certain period at certain prices, and that, in the meantime, the market has fallen.

Item agreed to.

\* Item 145 (Iron and steel, plate and sheet).



**Mr. WATKINS** (Newcastle) [4.52].—In dealing with the last item, I referred to the relation between spelter and galvanized iron and steel plates, which are covered by the item now before us. These plates are now being manufactured in Australia, and are going to be turned out here on a very large scale. Does the Minister consider that the protection provided for the finished sheet is sufficient.

**Mr. BOWDEN**.—It will be £5 10s. per ton under the general Tariff as from 1st January next.

**Mr. WATKINS**.—Such a duty on a finished product, on analysis, may not be found so high as at the first blush it appears to be.

**Mr. RICHARD FOSTER**.—It is a very stiff duty.

**Mr. WATKINS**.—The duty under the general Tariff at the present time is only 30s. per ton. Will the Minister promise to look into this matter, with a view to determining whether the duty is likely to be sufficient?

**Mr. GREENE**.—I will.

**Mr. WATKINS**.—A very large amount of capital has been invested in local works, and in providing for the housing of the men who have been brought out here to carry on the industry. The position in regard to shipping and freights of late has also materially changed. Ships coming out here to take our grain may be prepared to bring out material of this kind at very low rates. That is one of the dangers that our big industries have to fear.

**Mr. GREENE**.—We are looking after that matter.

**Mr. WATKINS**.—As the honorable member for Kalgoorlie (Mr. Foley) pointed out recently, it costs more to send material from one part of our coast to another than it does to bring the same material from the Old Country, so that the natural protection enjoyed by our industries is not what some honorable members would have us believe it to be. I accept, however, the Minister's promise that he will look into this matter.

Item agreed to.

Item 146 (Plates, sheets, pipes, &c.); item 147 (Iron and steel); item 148 (Leaf and foil of any metal or shape); item 149 (Steel, rough shaped); item 150 (Steel, band or ribbon); and item 151 (Flexible metal tubes), agreed to.

#### Item 152—

(A) Iron and steel tubes or pipes. . . . .  
And on and after 1st July, 1921, ad val., British, 27½ per cent.; intermediate, 35 per cent.; general, 40 per cent.

(B) Close-jointed iron or steel pipes and tubes; cycle tubing, including liners, bent-tubing and fork sides, whether plated or brazed or not, but not including cycle frames partly or wholly finished; wrought iron and steel pipes, n.e.i.; wrought iron and malleable cast-iron fittings for pipes, ad val., British, 27½ per cent.; intermediate, 35 per cent.; general, 40 per cent.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [4.59].—I have an amendment to move in sub-item B.

**Mr. BOWDEN**.—Will not the Minister need to amend sub-item A, seeing that those who are proposing to manufacture these tubes and pipes here are not yet quite ready to go on with the industry?

**Mr. GREENE**.—Yes. I move—

That sub-item (A) be amended by omitting "1st July, 1921," and inserting "1st January, 1922."

Amendment agreed to.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [5.0].—I move—

That sub-item (B) be amended by adding the following words:—"and on and after 10th June, 1921"

(B) Close-jointed iron or steel pipes and tubes; cycle tubing, including liners, bent-tubing and fork sides, whether plated or brazed or not, but not including cycle frames partly or wholly finished; wrought iron and steel pipes, n.e.i.; wrought iron and malleable cast-iron fittings for pipes, and cast-iron fittings for pipes of not more than 2 inches internal diameter, ad val., British, 27½ per cent.; intermediate, 35 per cent.; general Tariff, 40 per cent."

The object of the amendment is to take cast-iron fittings for pipes of not more than 2 inches internal diameter out of item 153, and make them subject to the same as wrought-iron malleable fittings. This will obviate the examination by the Customs authorities, which is necessary when the different pipes carry different rates. The amendment will bring all pipe fittings, whether cast or malleable, under one rate; otherwise there is involved much trouble in finding out whether the pipe fittings are cast or malleable, and very often this gives rise to dispute.

Amendment agreed to.

Item, as amended, agreed to.

## Item 153—

Iron pipes, cast, and cast-iron fittings for pipes, per ton, British, 48s.; intermediate, 65s.; general, 80s.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [5.3].—I move—

That the following words be added:—"and on and after 10th June, 1921—Iron pipes, cast, and cast-iron fittings for pipes of more than 2 inches internal diameter, per ton, British, 48s.; intermediate, 65s.; general Tariff, 80s."

Honorable members will notice that cast-iron pipes of less than 2 inches internal diameter were put in item 152, and now we are providing for cast-iron pipes of more than 2 inches.

Amendment agreed to.

Item, as amended, agreed to.

## Item 154—

Railway and tramway material, viz.:—

(A) Rails weighing 50 lbs. per yard and over, per ton, British, 35s.; intermediate, 60s.; general, 75s.

**Mr. FOLEY** (Kalgoorlie) [5.5].—I desire to lay before the Committee one or two views which I hold in regard to the manufacture and supply of this material. On a previous item much of the discussion centred on steel rails, and the opinions were many and varied as to what Australia is doing in regard to the manufacture of these at the present time. I have criticised Australian manufacturers for not producing the rails necessary in this country, and I still contend that they are not turning out what users desire. The Australian manufacturers of steel rails are doing what many shopkeepers do when a customer inquires for a certain article which they do not produce or sell; they say to the customer that, though they have not the article, they "have something equally good." Of course, if, under the circumstances, the salesman makes the sale, he is regarded as a valuable man; but I do not think that is what should take place here. There are many opinions as to whether the commodity which the Australian manufacturers are turning out is as good as the article required by those who use it. Recently there was a proposal to place a big order for 5,000 tons of rails with one of the steel-manufacturing companies in Australia; but that company could not supply it, because they do not produce the

desired class of rails. The company, of course, offered something that they contended was equally good, and it might be, but even the composite rail offered in substitution, they could not undertake to supply under twelve months. If that be so, I contend that we, representing Australian interests, should decide to admit that particular steel rail duty free until it can be manufactured here. As to the facts of another case which I propose to cite, the honorable member for Fremantle (Mr. Burrell) will support what I say. A letter in the following terms was sent to that gentleman from the Fremantle Tramway Board, which desired to purchase rails in large quantities:—

2nd March 1921.

I have been asked by my Board to bring under your notice the obstacles we have to contend with in endeavouring to obtain rails for urgent extensions necessary to our tramways. The Board and the State Government Tramways sent their managers to Newcastle in October last for the purpose of obtaining rails, if possible, or, if not, to find out the reason. We offered to place our combined order for 5,000 tons with the Broken Hill Pty. Co. Ltd., but received not the slightest encouragement. To our inquiry Mr. Delprat, the manager, stated he had no intention of making English standard rails; that he did not know when he would be in a position to manufacture the standard rail lately approved by the Sydney Tramways, and that he could not promise the composite rail within twelve months. We could not, under any circumstances, use the latter. As rails are not manufactured in Australia, and not likely to be for some time, my Board is anxious that you should use your best endeavours to have the duty on rails removed until such time as we can obtain a suitable rail in Australia.

The tramway rail that was needed was a grooved rail, such as the Tramway Board had been using right throughout their system.

**Mr. GREENE.**—Perhaps I can shorten the discussion by saying that those rails are free of duty at the present time.

**Mr. FOLEY.**—I know that the honorable member for Fremantle has been working assiduously in connexion with this matter, and my information comes from him. Personally, I would sooner see those rails made in Australia, but the manufacturers cannot make them. Some consumers of iron and steel products send their engineers to give orders to Australian manufacturing companies, and those engineers



impose conditions which are not imposed on manufacturers outside this country.

Mr. GIBSON.—Who are those engineers?

Mr. FOLEY.—They are engineers all over Australia, who have the conduct of various large works.

Mr. GIBSON.—This matter ought to be cleared up.

Mr. FOLEY.—I am endeavouring to clear it up. Those engineers insist on more tests being applied to Australian pig iron than are applied to iron supplied from abroad, and this means a disadvantage or impost, representing at least 2 or 3 per cent. against the local manufacturers.

Mr. GREENE.—It amounts to very much more than that.

Mr. FOLEY.—What I have given represents the least that this impost can represent. Even if we, with the best intentions in the world, impose a high duty, as representing a fair handicap, it is nullified by the conditions imposed by the engineers to whom I refer; and I hope this matter will be borne in mind by the Minister when he is considering another measure which, we understand, is to be introduced. If the Australian manufacturers keep to their expressed intention, we are likely to have these rails produced in Australia; but, however that may be, I shall read the answer or explanation of the manufacturing company—

28th May, 1921.

With reference to previous communications concerning the rolling of grooved tramway rails, I have to advise you that the matter is receiving our very serious consideration, but, owing to technicalities not altogether overcome, we are not at present in a position to roll these grooved tramway rails. You are doubtless aware that these grooved rails are not always used for tramway tracks, the practice in various State capitals being to lay two (2) tee rails side by side, one rail acting as the running rail for the cars and the inner rail as the check rail against the pavement. These rails, of course, we could supply in various weights and in any quantity. Again, we also roll a composite tramway section made up of an 80-lb. tee rail, to which is bolted a guard-plate or check, the two making the composite section. This latter type of rail has been used by the Fitzroy Tramway Trust, the Footscray Tramway Trust, the Hobart and Launceston Tramways, and in New Zealand, and we are at present negotiating for a large quantity with the New South Wales Government. As it is possible that some tramway engineers may prefer the grooved tramway rail, we are of the opinion that they should not be obliged

to purchase compound rail sections; but, in view of the practice as mentioned, the matter should be considered from this stand-point. We also desire to point out, however, that grooved tramway rails and tee rails are entirely distinct, the former being used for tramway purposes only, and the latter for both tramway and railway purposes.

I believe that a better road could be laid with the rail mentioned in that letter. It is better than the ordinary grooved rail.

Mr. WATKINS. — Do you think the road would be better if the composite rail were used?

Mr. FOLEY.—No, the road with the big rail and the check rail is the better, as mentioned in that letter.

Mr. WATKINS.—That is the one they can make here?

Mr. FOLEY.—Yes. It is the best for the purpose. If a composite rail is put down, once the grooved portion is worn out the whole rail is practically worthless for tramway purposes, but when the big rail is laid down with a check rail, if the check rail becomes worn on one side by the pressure of the flange of the wheel, it can be turned round and the other side used. In that respect the Australian article would be better. Taking that into consideration as against the cost of the other rail, I believe we should get better value, but not sufficient to compensate for the other conditions that prevail regarding the contract. The honorable member for Newcastle (Mr. Watkins) said that two contracts were let recently—one in Western Australia, and the other in New Zealand—for which the Broken Hill Proprietary Company tendered. In the case of the Western Australian contract, the company's tender was about £20 per ton, but to that had to be added the freight from Newcastle, bringing the price up to about £23. The Western Australian Government let the contract to a British firm, and the rails cost them, duty paid, less than £17.

Mr. WATKINS. — Made from German blooms.

Mr. FOLEY.—No. If I could put a nail in Germany's coffin, or in anything with German sympathies, I would rush to beat the honorable member to do it. I showed this by voting for a higher duty the other night, although that vote may have appeared inconsistent with the attitude I had taken on other things. I am

against Germans in every way. I would not trade with them, and I hope we never shall trade with them until we are forced to do so.

Mr. LAZZARINI.—What rot! How are we ever to get any indemnity if we do not trade with them?

Mr. FOLEY.—Nothing but "rot" can ever come from the honorable member. The discrepancy between the British and the Australian price in the case of that contract was great. Can we erect a high enough Tariff wall to beat that? I say we cannot.

Mr. WATKINS. — Then we had better give up.

Mr. FOLEY.—No. As I stated by interjection the other night, there is a big difference in the cost of freight around our coast. It would take more to bring these rails after manufacture to Fremantle from Newcastle than from Great Britain. The same is true in many other instances as regards Western Australia. Every duty that has been put on every item in this Tariff is a direct blow to Western Australia by my honorable friends, although I am sure they have not dealt it intentionally. It is our isolated position that brings this about.

Mr. MATHEWS.—In other words, you were unfit to join the Federation when it took place.

Mr. FOLEY.—It would have been a good thing if Western Australia had not entered the Federation until recently. I do not think my honorable friends can erect a high enough Tariff wall to give them what they desire when dealing with the class of contract to which I have referred. I believe that, as regards Newcastle and other New South Wales ports, we shall be able to compete against outside firms with the Tariff that we have now; but, with every desire to assist the steel works and the people in the constituency of Newcastle, and to see Australian industries spring up and keep going, I do not think that, so far as rails are concerned, we shall ever be able to put a high enough Tariff wall around the industry. If it is necessary to foster that industry, the Commonwealth Government will have to do it by means of a bounty or in some other way which will give the local manufacturer a fair handicap as against

the British manufacturer. If the people of Western Australia can get these rails from the British manufacturer for just under £17 per ton, the discrepancy is too great to enable them to say that they will give the Australian article the preference.

Mr. GIBSON (Corangamite) [5.23].—It seems extraordinary that any set of engineers in Australia should impose on Australian manufactured rails a test five times greater than on rails which they accept from America or Great Britain. Have any representations been made to the Minister on that subject?

Mr. GREENE.—I had some complaints quite a long time ago as to the nature of the tests imposed, but I have heard nothing recently.

Mr. GIBSON.—The statement has been made by the honorable member for Newcastle (Mr. Watkins) and confirmed by the honorable member for Kalgoorlie (Mr. Foley).

Mr. GREENE.—I do not think the test is five times as great.

Mr. WATKINS.—It is considerably more.

Mr. GIBSON.—It seems unthinkable to me that any set of engineers in Australia would handicap our Australian rails in that way, and at the same time, when tenders are being called for rails to be used in Australia, be quite prepared to accept from Great Britain or America an article which does not stand up to the tests to which Australian rails have to submit. I can hardly believe that the statement is correct, although it has been made to me by a member of the Broken Hill Proprietary Company.

Mr. WATKINS.—In the drop test we have twenty-four tests for every 60 tons, America only three, and Great Britain only one.

Mr. GIBSON.—The position is made even worse by the fact mentioned by the honorable member for Kalgoorlie that 5 per cent. of the material is practically lost in these tests, which really means an impost of 5 per cent. of the value of the article.

Mr. FOLEY.—Five per cent. of the value of the bloom.

Mr. GIBSON.—That is a heavy handicap for an industry to stand. Will the Minister (Mr. Greene) look into the



whole position, and let the Committee know the result?

**Mr. BURCHELL** (Fremantle) [5.26].—I do not wish to break in on the question of tests, although it seems to me that the views of engineers who are dealing with their own specifications should be considered as well. The engineer in charge of the Fremantle tramways is as strong a believer in the development of Australian secondary industries as any one could wish to meet, but in this instance the Fremantle tramway engineer and the State Government tramway engineer were unable to get from Newcastle the rails they desired, and Mr. Delprat said he was not in a position to say when the company would be able to roll the particular class of rail required.

**Mr. WATKINS**.—It is a special rail.

**Mr. BURCHELL**.—It is special in the sense that it is the British standard. Naturally, on this matter being represented to me, I brought it under the notice of the Minister personally, who, after inquiries, took action then and there to meet the Western Australian people. It was essential for them to have the rails they wanted, because the tram tracks are being laid on an ordinary macadamized road, and not in cement. The Minister, in this instance, allowed them to import these rails free. Of course, other people would be able to claim the same consideration, because the Minister cannot discriminate. I know, from correspondence that I have had from the Fremantle Tramways Board, that they were perfectly satisfied with the Minister's action, and exceedingly grateful to him for being so prompt.

**Mr. WATKINS** (Newcastle) [5.28].—The opposition to any increase in the duty on pig-iron was based on the fact that it was a real raw material. Now that we are dealing with the finished product, I wonder whether the same arguments will be used. I give the honorable member for Kalgoorlie credit for the stand he has taken from the beginning regarding the steel duties. He, at least, voted consistently with a promise he had given on the rate of duty in the general Tariff. I have here a small sketch that shows the difference between the composite rail and the other. It is a hollow-grooved rail, which is not being rolled

here. The company do not admit that it is a tramway rail at all, but they have put a substitute on to the market. There appeared to be a difference of opinion as to what was most suitable.

**Mr. GREGORY**.—The people who pay ought to be the judge of that.

**Mr. WATKINS**.—Yes; some State Governments used them, but I am not in a position to offer any opinion as to which is the best. I do want, however, to say something about the tests, because I think the practice operates to the prejudice of the Australian production. I have before me details of the tests arranged by certain associations of engineers and adopted, I presume, by the Railways Commissioners. The drop test for the Australian rail is twenty-four tests for every 60 tons of rails produced; for the American rail it is three tests; and for the British one test per 60 tons of rails produced. The Australian tensile test is one test for every 60 tons of rails produced; American nil, and the British one test for every 100 tons of rails produced. The Australian rails specification is, I am advised, acknowledged to be the most severe in the world's practice. This will be seen by an examination of the comparative tests for British, American, and Australian steel rails. The British test is one drop test from each cast of steel, averaging about 60 tons, and one tensile test from each 100 tons of rails rolled; in other words, about three tests per 100 tons of rails produced. The American specification provides for only three drop tests from each cast of steel, averaging about 75 to 80 tons, or about three tests from each 60 tons of rails rolled. The Australian specification requires one drop test from each ingot, and taking an average of twenty-four ingots to each cast of steel, this means that there must be twenty-four individual tests for each 60 tons of rails produced, and, in addition, one tensile test for each cast of steel averaging about 60 tons. For the drop test the practice is to allow a block of steel, weighing 1 ton, to fall on the head of a piece of rail, laid on supports 3 ft. 6 in. between centres, and the rail must withstand the test without showing any sign of fracture. For the American drop test on 80-lb. rails, the block of steel weighs 2,000 lbs., and it is dropped

from a height of 17 feet, as compared with the Australian practice to drop a block of steel weighing 2,240 lbs. from a height of 20 feet. In the American railway practice the axle load is very much heavier than in Australia, but notwithstanding this, American engineers call for a very much less severe test on rails than is the custom in Australia. The actual loss of material in Australia for test pieces to perform the drop test alone is from 3 to 4 per cent.

Mr. FOLEY.—It is right that there should be some such guarantee.

Mr. WATKINS.—I agree with the honorable member; but we should not allow rails which do not stand up to our test to enjoy any special advantages in competition with the Australian product. Can it be said that in the case mentioned by the honorable member the rails obtained are of the same value? My latest information as to prices shows that the average basis per ton for 60-lb. rails is:—British, £19 14s. 5d.; American, £17 16s. 3d.; Australian, £17 17s. 6d. The honorable member for Kalgoorlie said that the British price for the contract mentioned was, roughly, £3 below the Australian quotation, but the figures supplied to me show that the British tender was £16 7s. 6d. c.i.f. Fremantle, duty £1 15s.; total, £18 2s. 6d.

Mr. FOLEY.—The duty was paid.

Mr. WATKINS.—The Australian tender was £18 f.a.s. steel works, Newcastle; freight and insurance, £2 10s.; making the total £20 10s., so the difference between the two tenders was about £2 8s. per ton.

Mr. BURCHELL.—But could the Broken Hill Proprietary Company supply the class of rails required?

Mr. WATKINS.—I have already said that they could not do so for that particular contract; but I understand that another contract has been lost since then.

Mr. BURCHELL.—One is municipal, and the other a State contract.

Mr. WATKINS.—Judging from recent experiences, there is not sufficient protection for the Australian manufacturers of steel rails to have a fair chance when competing in the home market.

Mr. BOWDEN.—But can the Broken Hill Proprietary Company supply the rails? We have been told that the New Zealand

company could not be supplied for eighteen months, and that the Morwell contract could not be considered.

Mr. WATKINS.—It is as well to remember that this industry has been in existence for only about six years, and that no business concern can do all that may be asked of it at any particular time. Although the Newcastle Steel Works have only been in operation for a few years, they are turning out thousands upon thousands of tons of all classes of steel, including rails; but, unfortunately, there has been some dislocation of coastal shipping lately, and it is now urged in some quarters that because of this difficulty the steel works cannot cater adequately for the requirements of Australia. I understand the Morwell contract was for the completed scheme, and that it only came under the notice of the Broken Hill Proprietary Company at the last moment, at a time when their hands were very full of other work, so they simply said that, unless the time for tendering could be extended, they would not be able to submit a quotation. I admit that the composite rail may, in some respects, be more suitable than the solid steel rail, and that the purchaser should have the right of choice. During the debate on pig iron, it was urged that the raw material should not carry a higher Tariff. I now ask the Committee to give some relief for the manufacturers of the finished product. It is admitted that during the war period the Australian Governments were supplied with rails by the Broken Hill Proprietary Company, and were able to continue the construction of the transcontinental railway and State railways. Now we are faced with the competition of rails that are made, I believe, from German blooms.

Mr. GREENE.—I have no doubt that they are from Germany or Belgium.

Mr. FOLEY.—Does the Minister say that the rails which the Western Australian Government accepted in a recent contract were made from German blooms?

Mr. GREENE.—Probably they were.

Mr. WATKINS.—That tender was accepted at a time when goods made from German material were being imported. An importer, after looking over works which are turning out what I believe to be the finest galvanized iron in the world, said, "I can still import galvanized iron



into Australia at £10 per ton less than you can produce it." An official of the concern said, "How can you do that, in the face of present manufacturing costs in Britain?" And the importer replied, "I am not concerned with the cost of production in Britain; I will still import this material at £10 per ton less than the local cost." I have not much faith in the certificates as to the country of origin. In the course of a speech which I delivered in London in 1916, I stated my belief, because of what I had heard, that there were people in England "who would be prepared to trade with Germany to-morrow"; and, later, the man who moved the vote of thanks to me said, "You need not wait until to-morrow; they are doing it to-day."

Mr. GREGORY.—The statement by an importer which the honorable member has quoted is absurd, because if he sold at only £1 per ton less than the local price, he would probably get the order.

Mr. WATKINS.—He was stating what he could do. It is no misstatement to say that steel bars and ingots have been coming into Australia at prices £10 per ton less than the quotations of the Broken Hill Company; and the Minister well knows that, whilst the article is nominally Belgian, the raw material actually came from Germany. The Minister has promised to take certain action to protect Australian industries against dumping, but we are now dealing with a finished article, and I am asking him to protect this industry as he protected smaller ones at the request of other honorable members in this chamber. If it could be shown that the local manufacturers were holding their own against the importers under existing conditions, I would not ask that the duty should be increased; but we have reliable testimony that contracts are being lost to local manufacturers in respect of ordinary rails. I again ask the Minister if he cannot make some concession in this regard.

Mr. FENTON (Maribyrnong) [5.52].—Although the Broken Hill Proprietary Company's establishment is a mere infant in comparison with other great steel works in the world, the proprietors are submitting their products to more severe tests than are imposed in other countries. Some years ago a leading Commonwealth officer deplored the fact that there was an

absence of tensile tests of both timber and steel, and he said that a considerable quantity of inferior material, steel particularly, was being foisted on the community by importers, for the reason that no tensile test was imposed in the country of origin, and there was no opportunity of imposing it here before putting the article into use. The Broken Hill Proprietary Company is submitting its steel rails to a test the like of which is practically unknown in either British or American factories. Engineers declare that tensile strength is one of the best tests of the quality of steel, and because that test is being imposed by the local manufacturers, the community has a double security when it buys the Australian-made article. In purchasing clothing and other materials in daily use, we are often offered goods at a price which appears to be below their value, but only too often when a severe test is applied we find that we have paid too dearly for what is really an inferior article. That applies not only in every day transactions, but more particularly to the purchase of a more expensive article like steel, and we should therefore be prepared to pay a little more for the better article which will last longer. I have here price lists and trade journals which show that the ordinary price in Britain for rails for overseas customers is £19 14s. 5d. per ton, but we have been told that in competition with the Newcastle Steel Works a British firm quoted £18 2s. 6d. per ton. That was a "cut" price for the purpose of defeating the local manufacturer, and it is not fair, therefore, to say that the Western Australian Government have been able to buy rails from British manufacturers £2 per ton cheaper than they could get them from Newcastle. I have figures which show that the British price in 1915 was £11 2s. 6d. per ton, and rose to £19 14s. 5d. early this year, and it is unfair to mention the tender of £18 2s. 6d. as proof that the Broken Hill Proprietary Company are not willing to dispose of their products at a reasonable price.

Mr. FOLEY.—Prices have altered within recent months.

Mr. FENTON.—The honorable member knows that the trade journals and

price lists that reached Australia from Great Britain by the last mail are not two months old. The tender was accepted by the Western Australian Government not more than two months ago when, according to these publications, the ruling price in Britain was £19 14s. 5d. It is fair to assume that because the Broken Hill Proprietary Company was likely to tender for this contract, William Russell and Company, of England, saw a good opportunity to "biff" the Australian industry, and quoted £2 per ton below the ruling rates. I have pointed out, as clearly and strongly as possible, how experts in Australia have deplored the fact that Australians were purchasing steel goods from other parts of the world which came in here with an insufficient tensile test. My point is that the Australian firm submits its manufactures to a greater test than British makers, and to a much greater test than American steel companies. I would be doing better by paying £20 10s. for the Broken Hill Proprietary product than £18 2s. 6d. for the same item from a British factory. That is, I would be paying a little more for a better article. Even in regard to the combination rails which the Australian company has not been able to supply for tramway purposes, I understand that the honorable members for Kalgoorlie (Mr. Foley) and Fremantle (Mr. Burchell) would not be averse from the imposition of a deferred duty. If the local industry is able to satisfy the Department that it is able to, and intends to, supply the Australian demand for these combination rails, then a protective duty should apply in order to give the Australian firm an opportunity to meet outside competition. The present position, I understand, is that the combination rail may be imported free, but that there is power, when its manufacture is undertaken in Australia, to impose a duty. As for the British tender price in respect of the Western Australian contract, that was emphatically a cut price, and I trust we shall see no more of that kind of thing. Meanwhile, however, we must be watchful. There is bound to be some filtering in from the Continent, through British hands, to the overseas Dominions. One of the chief competitors with respect to iron and steel

*Mr. Fenton.*

lines now being made in Australia is Belgium. Although these products may have been finished in Belgium, I am sure that they were made, to a large extent, from German material. Many of the Belgian factories are to-day, as before the war, backed by German capital, and the profit derived therefrom is going into German pockets. That is where we want to be careful, and to protect our great, yet infant, industry.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [6.6].—I do not think this Committee would agree to impose an additional duty upon the rates already in existence, as the honorable member for Newcastle (Mr. Watkins) desires. The case which he has specifically cited is perfectly clear, and is one the like of which can be guarded against in future by anti-dumping provisions. If it can be shown that foreign tenderers are able to quote and deliver at less than the home consumption price in the country of origin—

**Mr. FENTON.**—And it looks like it.

**Mr. GREENE.**—I am not able to say that it does not. But if such can be shown, then our anti-dumping law will apply, and will put an end to such a state of affairs. Again, if it can be demonstrated that foreign competitors are using German blooms, that position can be met by means of the proposed measure dealing with exchange.

With respect to the grooved rail, it is a fact that that product is not being rolled here to-day. There are two classes of rails laid in connexion with various tramway works. One is put down on a cement foundation, and the other is laid where a macadamized road is used. In respect of those works where a combination rail is used, together with the cement foundation, we do not permit the grooved rail free entry; but in cases where tramway authorities are laying their track on a macadamized road we permit free entry. It amounts to this: Are the Australian mills rolling these rails? If they are, then the similar imported rails are dutiable. But if the Australian manufacturers are not doing so, then the foreign rails may come in free.

**Mr. WATKINS** (Newcastle) [6.12].—All the allegations to the effect that no case has been made out by myself, or



by those honorable members who are supporting me, have been disproved; and all the contrary facts have been completely answered. A clear instance has been cited where a British firm has been able to tender successfully for a contract, in one of the States, at a price amounting to £2 8s. lower than the local quotation. When freight and duty are added, it becomes all the more obvious that the British tenderer quoted a cut price.

Mr. WATT.—This time last year the Americans were putting steel rails into the west coast ports of England at a cheaper rate than the British factories could turn them out; and the British makers have had to come down since then.

Mr. WATKINS.—Yes; that, again, was a case of dumping. In 1915 Australian steel rails 60 lbs. and over averaged £8 5s. 9d.; in 1916, £10; in 1917 and in 1918, £10 10s.; so that during the war the price of rails remained steady. But now that an industry which did so much for the country during the war asks for help—and for the first time—its request is refused, although it is the most important industry in the country. I move—

That the following words be added to sub-item (A):—“And on and after 10th June, 1921, per ton, British, 55s.; intermediate, 80s.; general, 95s.”

Mr. GREGORY (Dampier) [6.16].—I hope that the Committee will not give the slightest consideration to this request. Surely the future development of the country is to be considered.

Mr. GREENE.—I am not going to accept the amendment.

Mr. GREGORY.—What is proposed is preposterous. Railways have to be built throughout the country to facilitate communication and make development possible.

Mr. CHARLTON (Hunter) [6.19].—I hope that consideration may be given to the amendment for which the honorable member for Newcastle (Mr. Watkins) has made out a good case. We hear of what the proposed anti-dumping and the exchange legislation will do; but it seems to me that we are putting the cart before the horse, and that the action which we are told is to be taken should already have been taken. As it is, things are being

allowed to drift. The Broken Hill Proprietary Company has already lost a contract in Western Australia, and it has been shown that the rails which are being supplied by its competitor are being sold at a cut price, that is, they are being dumped. It is idle to talk of protecting industries if, while the Tariff is under consideration industries are suffering, and proposals for redress are not listened to. We are losing our markets, and men are being thrown out of employment. Yet we are told to wait for a couple of months for anti-dumping and exchange legislation. During the interval, importers will make money by sending goods to Australia at cut prices, and we shall be told later that the action proposed to be taken ought not to affect goods on order and in course of transit. It has been admitted by the Minister himself that there is dumping. That being so, we should have legislation to prevent it.

Sir JOSEPH COOK.—You are keeping us from introducing that legislation.

Mr. CHARLTON.—It should have been introduced before the Tariff was considered. Strangely enough, we heard nothing of it until we came to the iron duties. We were not told previously that anti-dumping legislation was to be introduced.

Mr. GREENE.—Yes.

Mr. CHARLTON.—The exchange legislation was certainly not spoken of. Complaints about dumping are general. Prices are being cut, and a great deal of the cheap material that is being introduced is coming from Germany, the rate of exchange favouring the German manufacturers. Thus our industries are suffering, and something must be done to protect them. The measures the Government propose to take to prevent dumping and to meet the exchange position may or may not be satisfactory, and in the meanwhile we are asked to work in the dark. If we impose duties now to give protection during the interval that must elapse before this other legislation can be considered, those duties can be subsequently reduced or removed should Parliament consider them unnecessary. In this case the present duties are ineffective. It must be remembered that our rails are subjected to a severer test than is applied to rails anywhere else. There are no

better rails to be obtained, and it is doubtful whether any rails are made to equal them.

Sir JOSEPH COOK.—There is at present a duty of £3 15s. on rails.

Mr. WATKINS.—And there are plenty of empty ships to bring rails here cheaply.

Mr. CHARLTON.—Yes. Our object is to keep our own people at work. We do not want a state of stagnation to come about in this industry.

Sir JOSEPH COOK.—The Government intend to cure the trouble by means more effective than those the honorable member supports.

Mr. CHARLTON.—My difficulty is that I do not know what is proposed.

Mr. WATKINS.—What guarantee have we that we can control the forces operating on the other side of the world?

Sir JOSEPH COOK.—By operating in Australia we can and will exercise the control that is needed.

Mr. CHARLTON.—At any rate, we do not know that what is proposed will be effective.

Sir JOSEPH COOK.—The Minister said that he is willing to review Tariff items should that be proved.

Mr. WATKINS.—Parliament may be in recess at the time.

Mr. CHARLTON.—Yes; and a great deal of harm can be done to an industry in three or four months by unfair competition. I ask the Minister to give consideration during the dinner adjournment to what is a very modest proposal.

Mr. WATKINS.—An increase of about 10 per cent.

Mr. CHARLTON.—We wish to prevent the losing of orders in the interval between the present time and the passing of the legislation for the prevention of dumping and the regulation of exchange.

*Sitting suspended from 6.30 to 8 p.m.*

Mr. CHARLTON.—Before the dinner adjournment I supported the amendment moved by the honorable member for Newcastle (Mr. Watkins) for an additional duty on steel rails. I have no wish to unduly detain the Committee, and I think that in this matter all that we can say has been said. I again ask the Minister for Trade and Customs (Mr. Greene) to consent to an increase of the duties proposed, in view of the

fact that orders for rails are now being given abroad at cut-throat prices. It is beyond the shadow of a doubt that there is dumping of steel rails in Australia from other countries. Much of the stuff that is being dumped here is coming from Germany. The foreign manufacturers are getting a fair return, because they are able to undersell our manufacturers by reason of the depreciation of their currency as compared with ours. I stated yesterday that they can sell at 25 per cent. less than Great Britain, and then make a profit of 10 per cent. They are now tendering for supplies for Australia, and their offers are being accepted. If this continues for any length of time it will result in incalculable injury to the industry in this country. Outsiders have already placed two orders in Australia, and we may assume that in the near future they will succeed in placing others. Even if no tenders are invited it may be assumed that they will dump their goods into this country, and hold them here until they can dispose of them. If we wait until we have passed an Anti-Dumping Bill and an Exchange Regulation Bill, there may by that time be a lot of this material on the water, and it will then be contended that such legislation should not operate until shipments ordered and on the water have been delivered. I can well understand that when we come to deal with the measures referred to honorable members opposite, and especially those in the corner who have opposed the increase of duties, will strongly oppose such legislation, if it is to affect orders previously given. It may be six months before those orders can be completed. Until we are in a position to estimate the success attending the operation of the promised legislation, I suggest to the Minister for Trade and Customs (Mr. Greene) that it would be a fair thing to increase these duties. I plead for protection for our own industries in order that we may keep our people employed. I have no desire to see Australia going backwards, as must be the case if something is not done to protect our industries. It is the case to some extent now, because we have many men unemployed, and in connexion with a subsidiary industry using iron and steel the Minister himself has admitted that



there are now 600 men unemployed. Other industries have shortened hands, and it may be that those engaged in the production of iron and steel have also had to shorten hands. It is idle to talk, as we sometimes do, of bringing people here from the Old Country if there is no work for them to do. We cannot put them all on the land, and men who are not adapted for it will in nine cases out of ten make a failure of settlement on the land. We cannot bring people here unless there are openings for their employment, and to-day there are no such openings. Australia is sparsely settled; but until we have passed legislation which will enable us to absorb more people we shall not be justified in bringing them here. At present there are not sufficient avenues of employment for the people who are now in the country.

Mr. FRANCIS.—There are numbers of returned soldiers out of work at the present time.

Mr. CHARLTON.—That is so. I can hardly cope with the correspondence I am receiving from returned soldiers in need of employment. I get letters from them from every part of Australia. I may say that the Broken Hill Proprietary Company employs hundreds of returned soldiers, and yet, apparently, this Committee is unwilling to give the company the slightest increased protection in connexion with these duties.

Mr. GIBSON.—I suppose that the honorable member will exhibit the same consideration for returned soldiers when we come to consider the duties on farm implements.

Mr. CHARLTON.—I will answer that interjection by saying that when duties affecting the primary producers have been under consideration, my honorable friends in the Corner have taken a different view. In dealing with those duties, I have found members of the Country party, like myself, assisting to impose substantial duties on the products of the primary producer. These duties seem to represent to them a horse of another colour. I again appeal to the Minister to make some concession in this case. The honorable gentleman said that if he accepted an increase in the duties on pig iron that would involve some alteration

of the duties on items affecting industries subsidiary to the steel and iron industry. That was a perfectly sound contention, and we agreed that if increased duties on pig iron were agreed to the duties on other items would require to be increased accordingly. We are dealing here with a product of the steel works, and I say that the supply of steel rails for Australia should be confined to the Australian industry. I believe that Hoskins and Company, as well as the Broken Hill Proprietary Company, turn out steel rails.

Mr. GREGORY.—They did so years ago.

Mr. CHARLTON.—I understand that Hoskins and Company were the first to supply steel rails for the transcontinental railway. There is internal competition in Australia for the supply of steel rails, and, that being so, it is right that we should keep these industries going. Mr. Hoskins recently pointed out the position into which the industry is drifting, and how necessary it is that some assistance should be given to it. If an increase in these duties were agreed to, and it was subsequently found that they are excessive, there would be nothing to prevent this Parliament reviewing and reducing them if it so desired. The Minister intends to appoint a Board to consider the incidence of the Tariff, and that Board can recommend a reduction of these duties if the circumstances warrant it. Until we get the remedial legislation which the Minister has spoken of, the industry should be given some real protection through the Tariff.

Mr. GREENE (Richmond—Minister for Trade and Customs) [8.10].—I regret that I cannot see my way to accede to the request of my honorable friend, for several reasons. The honorable member for Newcastle (Mr. Watkins) said that we have done nothing for this industry. I think that we have tried to do a good deal.

Mr. WATKINS.—I was not speaking generally, but of what has occurred during the consideration of this Tariff.

Mr. GREENE.—If honorable members will consult the previous Tariff, they will find that we have raised the duties on steel rails weighting 50 lbs. per yard, under the British preferential column, from 17s. 6d. to 35s., and the

duties in the general Tariff from 25s. to 75s., the increase in the case of the British preferential Tariff being 100 per cent., and in the case of the general Tariff 200 per cent.

Mr. CHARLTON.—The increased duties are now in operation, and yet our people are losing orders.

Mr. GREENE.—I wish, further, to remind honorable members that under the old Tariff in this item, in addition to rails we included fish-bolts, tie-plates, and sections of rails. All these things have been taken out of the item, and under this Tariff are made liable to special and addition duties in view of the additional cost of their manufacture. We have given a great deal of attention to this question, and if honorable members will compare the pre-war prices of steel rails they will find that these duties run up to 50 per cent. on those prices.

Mr. WATKINS.—Other things have also increased in price.

Mr. CHARLTON.—Conditions now are altogether different from pre-war conditions.

Mr. GREENE.—I am aware of that. I have shown what we have tried to do, and, notwithstanding the fact that in extraordinary circumstances one or two orders have been given outside Australia, I think that the duties here proposed are sufficient.

Mr. CHARLTON.—Suppose they are not? Two orders have been sent out of the country, and there may be others.

Mr. GREENE.—Here was a case where the actual price was £2 8s. per ton below the Australian price, and to cover that discrepancy we would require to raise the duty under the British preferential Tariff to 83s. I am quite sure that the Committee would not agree to that for a moment.

Mr. WATKINS.—When we asked for a considerable increase we were told that it was too big, and when we now make a moderate request we are told that the duty for which we ask is not big enough.

Mr. CHARLTON.—Would the Minister agree to an increase of £1 in the duty, leaving it to the purchaser of these goods to decide whether he is a sufficiently loyal Australian to pay an extra 18s. per £1 for the Australian article?

Mr. GREENE.—I think that we had better rest content with the duties proposed in the Tariff for the time being. I have promised that if they prove insufficient I shall come back to Parliament and ask for additional duties.

Mr. CHARLTON.—The trouble is that they are already proving insufficient.

Mr. GREENE.—Possibly the particular cases which have been stated may be met by the special legislation to which I have referred over and over again. It will be designed to meet cases of that character. I do not think that we should try to establish rates of duty in the Tariff schedule itself to cover extreme or extraordinary cases. I ask the Committee to pass these duties as they stand. We shall very soon discover whether or not they are adequate, and if they are not I have promised to come back to Parliament and ask for additional duties.

Mr. CORSER (Wide Bay) [8.14].—I should not have risen had not the honorable member for Newcastle (Mr. Watkins) said that I went to see the great works at Newcastle; that I praised them, and admitted the tremendous asset they were to Australia, and now will not help the Broken Hill Proprietary Company on the floor of this House. I deny that statement. No man recognises the advantage of the establishment of such an industry to Australia more fully than I do; but there are limits beyond which we cannot go. In reading and going very carefully through the Tariff I came to the conclusion that the Minister for Trade and Customs (Mr. Greene), perhaps unlike some other Ministers who have had charge of a Tariff, had gone thoroughly into all these matters, and had given, in most instances, ample protection for local industries. We cannot foreshadow something that has not previously taken place, and I have not heard that the proprietors of the Newcastle works have asked for additional protection. If they had done so, and made out a case as they might have done through the Minister or the press or by circularizing honorable members, there might have been some excuse for giving their industry additional protection. When I visited the steel works at Newcastle, I was not told, nor have I been told since, that the industry requires additional protection in regard to the manufacture of steel rails. All that I



have heard in this connexion is the statement which has been made by my honorable friends opposite during the past few days. It is the duty of every representative of a great territory like that of Queensland, which embraces an area of 420,000,000 acres, to see that railway construction, which is so necessary for its development, is not unduly hampered by the imposition of excessive duties upon steel rails. It is all very well for the representatives of a small State like Victoria, or, indeed, for the representatives of New South Wales, which already possesses most of the railways that it requires, to talk in the way that my honorable friends opposite have done. But Queensland requires thousands of miles of railway to develop its resources, and these lines will be constructed when that State possesses the necessary funds to construct them. It stands to reason that the higher the cost of the materials put into such railways the less mileage she will be able to build.

Mr. GREGORY.—Does not the honorable member think that the material which is needed for the development of a State should be admitted free?

Mr. CORSER.—I do not, because we must encourage Australian industries to provide for our own requirements. The necessity for such industries was fully proved during the war. Personally, I consider that, in most cases, sufficient encouragement in that direction has already been given by this Tariff. The honorable member for Newcastle (Mr. Watkins) will agree with me that when we visited the steel works in his constituency the assistant manager, pointing to a stack of rails, said, "That is the last of the 600 tons which we have been manufacturing for the Queensland Government." Included in the item which is now under consideration are other commodities which are used by manufacturers in Queensland—by those who build locomotives and ships, or who engage in the manufacture of mining machinery and sugar machinery.

Mr. WATKINS.—I am merely asking for an increased duty upon rails.

Mr. CORSER.—I think that the existing protection is ample. It is quite as much as those engaged in the industry ever expected to get, otherwise they would have notified us of their dissatisfaction with it. I have nothing to say

against an industry which I value so highly as I do the steel industry, but it behoves us to be careful that we do not over-protect it, and thereby penalize certain sections of the community.

Mr. WATKINS (Newcastle) [8.19].—When I referred to the visit of the honorable member for Wide Bay (Mr. Corser) to the Newcastle Steel Works, I did not intend my remark to be construed offensively. No such idea was in my mind.

Mr. CHARLTON.—The honorable member should have told the manager of those works to pitch a tale of woe to politicians who visit them. Then things would have been all right.

Mr. WATKINS.—Those works speak for themselves, and any honorable member who visits them will not be subjected to the practice of lobbying there any more than he is within the precincts of this chamber. The Broken Hill Proprietary Company have evidently been too modest. The remark of which the honorable member for Wide Bay complains was made by me by way of interjection. It was not prompted so much by his visit to the Newcastle Steel Works as it was by a speech which he made here the other evening, in which he stated that he had every sympathy with my proposal to obtain an increased duty for the industry.

Mr. GREGORY.—He has shown his sympathy pretty well, too.

Mr. WATKINS.—He showed it in his speech, but he voted the other way. His attitude reminds me of the old saying that "sympathy without relief is like mustard without beef." Nobody can accuse me of having, during the twenty years that I have been a member of this Parliament, talked merely for the sake of wasting time. But if I can do anything to help an Australian industry—whether it be situated in my own electorate or elsewhere—I shall always be ready to do so. Not only did the honorable member for Wide Bay in a previous speech express sympathy with the increased duty which I had submitted, but the Minister himself spoke even more strongly than I did in defence of that increase.

Mr. GREGORY.—If the honorable member would only work as hard for the mines as he works for the steel works at Newcastle, things would hum.

Mr. WATKINS.—I have been down in the bowels of the earth, where I left my picks when I was elected to Parliament, and I am not likely to forget my experience there. To-night I have submitted to the Minister a concrete case of dumping.

Mr. GREGORY.—That was not a case of dumping. It was merely one of competition.

Mr. WATKINS.—Under the legislation which has been foreshadowed by the Minister to cope with this evil, I imagine that a Board will be created to hear complaints in regard to dumping as against fair competition. How can that Board be approached except by the citing of concrete cases such as I have given to-night?

Mr. GREGORY.—The honorable member cannot call that a case of dumping.

Mr. WATKINS.—Is it not dumping when a tender is accepted for imported material at 48s. per ton less than the price quoted by the people who govern the industry in the country of its origin?

Mr. GREGORY.—In 1918 Broken Hill produced rails for £10 10s. per ton.

Mr. WATKINS.—Yes, and in that year the reverse position obtained in America. Last year there was an increase in their price in England. This year the price of steel rails has dropped from £27 to £19 14s. 5d. per ton. Yet, although that was their price in Britain, a tender was accepted by the Western Australian Government at £18 2s. 6d. per ton, everything paid, inclusive of duty. How can dumping be proved except by the submission of such concrete cases? The Minister (Mr. Greene) has intimated his intention of endeavouring to protect the industry by getting certificates from manufacturers in Britain that importations which come from there are of British origin. How can he do that without sending officers over there to conduct special investigations??

Mr. CORSER.—Suppose that the certificates were accompanied by declarations, would not that be sufficient?

Mr. WATKINS.—A declaration in England affecting something in Australia? Does the honorable member think that the British Government will so seriously interest themselves in a matter of this kind as to ascertain that all consignments

of steel rails to Australia from the Old Country are of British origin?

Mr. GREENE.—We are doing the same thing every day of the week. We have our officers in London, and we know what is going on there. As a matter of fact the whole of the British preferential Tariff is worked in that way—by inquiries in London.

Mr. WATKINS.—Then the Minister must know of this thing?

Mr. GREENE.—The honorable member himself has told me of it about twenty times, so that I ought to know it.

Mr. WATKINS.—When I was in London I heard sufficient to convince me that the British Government will not worry themselves very much about the country of origin of consignments to Australia. Indeed, it would be difficult for them to trace the origin of rails which are rolled on the Continent and which are re-shipped from Great Britain. Throughout the Tariff debate it has been made very apparent that no small State can complain that its interests have been in any way neglected by this Parliament. I venture to say that if this industry were in one of the smaller States it would receive more consideration than is now being extended to it by the Government. As a member of this Legislature for twenty years, I say, unhesitatingly, that many honorable members from the smaller States take a parochial, rather than an Australian, view of matters of this kind. The location of the works affected seems to be their chief concern. It has been said by an honorable member opposite that the Broken Hill Proprietary Company has not asked for an increased duty. I invite the Minister to say whether they have not done so. I have asked for this moderate increase in the duty on the finished product in view of the facts set out in the document which I have put before the Committee. The company has recently lost another contract in New Zealand because of the same competition. It has been admitted that the tests to which the locally-made rails are subjected are such as to stamp them as being infinitely superior to the imported article.

Mr. CHARLTON.—Apparently some people will not pay for quality.



Mr. WATKINS.—They are prepared to accept the tender of an outside manufacturer because it is a few shillings below that of the local industry.

Mr. GREGORY.—Two pounds a ton is a big item on a large contract.

Mr. WATKINS.—After all, it is a question of relative values. If the Australian-made rail is twice as safe, and will last twice as long as the imported article, the additional cost is relatively insignificant. I am asking, not for an increase of £2 per ton, but for an increase of about 10 per cent., so that this industry will not be compelled, like others have been, to throw out of employment thousands of the men at present depending upon it for a livelihood.

Mr. GREGORY (Dampier) [8.33].—It seems to me to be quite preposterous to say that, on the facts disclosed in the papers submitted to us, any dumping has taken place in this case. Tenders were called, and the Broken Hill Proprietary Company, probably taking advantage of the market, asked too big a price. I know nothing as to the figures disclosed in these papers, but I do know that in 1916 the Broken Hill Proprietary Company's price was £9 10s. per ton; in 1917, and again in 1918, its price was £10 10s. per ton; and in 1919 it was £12 3s. 4d. per ton. In other words, its average price from 1916 to 1919 was under £11 per ton, whereas the tender accepted in the case referred to by the honorable member for Newcastle (Mr. Watkins) was for the supply of rails at £18 2s. 6d. a ton. If the Broken Hill Proprietary Company failed to get that contract, it must have been asking too much for its rails. Its latest quotation for 1921 was £17 17s. 6d., and yet this tender was let at £18 2s. 6d. I think the Minister has been very kind to this company. He has granted it an increase of 100 per cent. under the British preferential Tariff, while under the general Tariff the duty has been increased from 25s. to 75s.

Mr. RICHARD FOSTER.—That is practically one-half of the price of rails in 1915.

Mr. GREGORY.—Yes; in 1915 they were being sold at £8 5s. per ton. If we are to build up a Tariff wall so that local manufacturers may charge what they please, and then when they lose trade a

still higher duty is to be imposed, I do not know what will happen.

Amendment negatived.

Item agreed to.

Item 155—

Rolled iron or steel beams, channels, joists, girders, columns, trough and bridge iron, and steel not drilled or further manufactured, per ton, British, 48s.; intermediate 75s.; general, 90s.

Mr. GREGORY (Dampier) [8.37].—I desire to know whether the Minister (Mr. Greene), in connexion with this item, has taken into consideration the almost numberless shapes of beams, joists, girders, columns, &c., that are required for railway construction and general building and developmental purposes. Having regard to the temper of the Committee, I do not propose to move for a reduction of the duties in respect of this item; but I invite the Minister to compare the Broken Hill Proprietary Company's schedule of products with those of some of the corporations overseas. In connexion with ordinary trading, 600 or 700 different shapes and parts may be necessary. The Broken Hill Proprietary Company's schedule sets out some thirteen structural shapes that are produced at present at its works, whereas in the British catalogues 998 different shapes are quoted. The United Kingdom occupies only third place on the list of steel producing countries. Before the war Germany's output of steel was approximately double, and that of the United States of America treble, that of the United Kingdom. The British manufacturers' catalogues include approximately 1,000 different shapes, while the varieties manufactured on the continent of Europe and in the United States of America are still more numerous. I know that there are two or three other manufacturers here, but I do not think that they add to the shapes which are designed by the Broken Hill Company. I have before me a paper showing that, in respect of girders and beams, the Broken Hill Proprietary Company manufactures only eight different varieties, while the United States of America corporation produces 113. In the case of angles, the Broken Hill Proprietary Company produces 75 different varieties, and the United States of America corporation 425; while in respect of tees, the Broken Hill Proprietary

Company produces 3 shapes or varieties and the United States of America corporation 94. In respect of these three items alone, the Broken Hill Proprietary Company produces only 86 varieties, as against 632 scheduled by the United States of America corporation. I do not think it would be possible to move that these steel duties shall apply only to those sections or parts which are made in Australia. We are all hopeful that as the local works develop they will produce as many varieties as their oversea competitors; but I should like to know if the Minister has considered whether it would be possible, meantime, to prepare a free list, which could be amended from time to time, covering all those shapes or varieties which are not being produced here.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [8.43].—I have had no complaint recently in connexion with this matter. A difficulty occurred some little time ago, but honorable members, I dare say, will remember that the Institute of Science and Industry, acting in conjunction with the Bureau of Commerce and Industry, convened a conference at which this matter was fully gone into, with a view to the standardization, as far as possible, of these rolled sections of steel and the specifying of standard sizes in the various specifications. In that way a good deal of difficulty has been surmounted. The figures show that in the year before the war just on 1,000,000 cwts. of these sections of structural steel were imported. That importation has dwindled away to less than a quarter, and the Broken Hill Proprietary Company, and smaller rolling mills, are now turning out the great bulk of the sections required. However, if any specific cases are brought before us, and it can be shown, as a fact, that certain sections cannot be rolled here, I do not think there will be any difficulty in meeting the objections raised. We have no desire to collect what is intended to be a protective duty on goods that cannot be manufactured here. I will see what can be done, so long as we do not jeopardize the industry here.

Item agreed to.

Item 156—

Shafting, ad val., British, 27½ per cent.; intermediate, 35 per cent.; general, 40 per cent.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [8.46].—I move—

That the following words be added:—"And on and after 10th June, 1921—

Shafting, viz.:—

(A) Flexible, ad val., British, free; intermediate, 5 per cent.; general, 10 per cent.

(B) Other, ad val., British, 27½ per cent.; intermediate, 35 per cent.; general, 40 per cent."

I do not think the honorable member for Dampier (Mr. Gregory) will object to this amendment, seeing that its object is to make part of the shafting free. What I propose is in regard to flexible shafting, which is not made here, and which is used in speedometers, dental machines, and so forth. As shafting, it falls under this item, and we do not desire to make it dutiable.

**Mr. CHARLTON.**—Is there no flexible shafting made here?

**Mr. GREENE.**—None.

**Mr. GREGORY** (Dampier) [8.47].—Under the 1914 Tariff, shafting was free and 10 per cent. According to the *Argus* of 3rd June, this year, shafting was quoted at £52 10s. per ton, equal to, say, £60 in Australia, and this works out at £24 per ton under the general Tariff, and £14 per ton under the British preferential Tariff. That seems to me an enormous and unreasonable impost.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [8.50].—This is one of the commodities in connexion with which we found ourselves in the greatest difficulty immediately after the outbreak of the war. No one has undertaken the manufacture of bright shafting, which requires a very expensive and extensive plant. Some manufacturers were found, however, who were prepared to invest, and, by establishing the industry, come to our rescue in time of war.

**Mr. CORSER.**—Does this include roller shafting? A factory has been established at Maryborough, Queensland, with a large steam-hammer and furnaces, to turn out roller shafting.

**Mr. GREENE.**—That is forged shafting, which comes under this item; but I was talking for the moment of bright shafting, which, for the greater part, is that required. It is true that this forged shafting is being made not only at Maryborough, but elsewhere; as a matter of



fact, I think the manufacturers are now in a position to meet, practically, the whole of Australia's requirements. One manufacturer turned out over 900 tons of bright shafting last year.

Amendment agreed to.

Item, as amended, agreed to.

Item 157—

Barbed wire, per ton, British, 68s.; intermediate, 85s.; general, 105s.

**Mr. GREGORY (Dampier)** [8.53].—This is a monstrous item. In the previous Tariff the duties were 10 per cent. and 20 per cent. People do not buy barbed wire for pleasure, and this item, if passed, will mean a very heavy impost which, in my opinion, is entirely unwarranted. Most of the work in manufacturing barbed wire is done by machinery. I was surprised, when we were dealing with wire nails, to hear honorable members talk of the number of men employed in making them, when, as a matter of fact, machinery does all the work, even to the packing in boxes.

**Mr. CHARLTON.**—The Minister has told us that there are 600 men employed in one factory making nails; and if the honorable member cares to come to Newcastle he can visit the works there.

**Mr. GREGORY.**—I shall be very glad to do so; but, in any case, I ask the Minister (Mr. Greene) to agree to a reduction of these duties, knowing, as he does, the great necessity for barbed wire in the work of developing the country.

**Mr. CORSER.**—If the factories spoken of had been in existence during the war we should have saved many hundreds of thousands of pounds.

**Mr. GREGORY.**—Does the honorable member wish to exploit the country for all time because of the war?

**Mr. CORSER.**—It is not right to say that those engaged in the industry are going to exploit the country.

**Mr. GREGORY.**—We have been exploited. I certainly feel pleased that the Tariff has to be considered by another place, where I am satisfied it will receive very different treatment from that it has received here. Certainly, greater interest will be shown in the items elsewhere, and it will be essential for those in charge of the Tariff to explain, not only to the

Chamber, but to the country, that the duties proposed are necessary. I move—

That the following words be added:—"And on and after 10th June, 1921, per ton, British, 40s.; intermediate, 50s.; general 60s."

**Mr. FLEMING (Robertson)** [8.56].—I support the amendment, and draw attention to the close relationship there is between this and the following item. At the present moment, a great struggle is going on in the western district of New South Wales, and it is doubtful whether it will be possible to maintain sheep there in the future. Dingoes have been coming in from Central Australia in large numbers. This western district has been known in the past as one of the great merino wool-producing centres of Australia, and if it has to be kept as sheep country it must be possible for those interested to be able to erect wire netting and barbed wire fences. The usual dingo-proof fence is an ordinary stout fence, with, very often, higher posts raised alongside, wire netting being run along the lower portion, and, as a rule, three barbed wires along the additional posts at the top. Such fencing has, in some cases, to be carried for hundreds of miles, and this naturally consumes a tremendous weight of wire-netting and barbed wire. With the proposed additional duties there will be very much less chance of saving the great western district of New South Wales as a wool-producing area. I invite the Minister, who knows something of these matters, to look at the last issue of the *Pastoralists Review*, which is recognised as the great authority on primary production, from, at any rate, the graziers' point of view. In that journal it is definitely stated that unless something is done, and very soon, to save the western district, the owners there will have to revert to cattle. And it is not only the western district that is concerned, for the Darling River would prove no more obstruction to the dingoes crossing into the central division than would a corridor of this House. People in the cities, and probably most honorable members, may think that this is wild talking, as, indeed, it is, inasmuch as it relates to a wild and wily animal. People generally have no idea how parts of New South Wales and other parts of Australia are reverting to natural conditions. It

seems incredible that we here should be losing ground in this way—that pests should be allowed to overrun and destroy the greatest asset the country possesses. but the fact undoubtedly remains that it is so. I have endeavoured on more than one occasion to point out that this Tariff is helping in that direction. I urge the Minister to accept the amendment of the honorable member for Dampier (Mr. Gregory). It will, as the honorable member for Hunter (Mr. Charlton) or the honorable member for Newcastle (Mr. Watkins) interjected, interfere with the employment of a few hundred men at Newcastle. That is most unfortunate, and I wish it could be avoided, but it is really a very small matter compared with the enormous industry that is affected.

Mr. BRENNAN.—Are you satisfied that it will interfere with them?

Mr. FLEMING.—It probably will to a certain extent, although they may be able to carry on even under the reduced duties proposed; but I know that if we accept the enormous increases embodied in the schedule many people in the western district of New South Wales will not be able to carry on. Not only the man growing the wool, but the hundreds and thousands of others employed in the western division will feel it, including all those on the land who are looking for some help to pay the taxation throughout Australia. We cannot afford now to do anything to lessen our primary production. Every man interested in that knows that Australia is desperately understocked. Never, in my experience in grazing, in which I have been interested all my life, have I known New South Wales as a whole to be so understocked, and that is the general experience. The whole country is understocked. Yet it is now proposed to go further in the direction of destroying our chance of re-building our stocks, although the whole future of Australia depends more on their restoration than on anything else that can be mentioned.

Mr. CHARLTON (Hunter) [9.2].—One would think, to hear the arguments put forward in favour of the reduction of these duties, that we were imposing rates different from what exist at present. This duty has been in operation for fifteen months, and now we are told, after

encouraging the establishment of manufacturing industries in our own country by its means—

Mr. RICHARD FOSTER.—I suppose that practically no wire netting has been bought for the outside country for the last fifteen months.

Mr. CHARLTON.—I wish the honorable member would rise occasionally and state his views. All he has done, so far, has been to put them very effectively by means of interjections. This industry has been established because of the protection afforded to it for the last fifteen months, but the arguments used here would lead the general public to believe that we are now imposing additional duties to assist it. The people in the western and north-western districts of New South Wales are to be sympathized with. They have had a bad time in consequence of the drought, and, no doubt, their stocks have been depleted; but that is no justification for reducing this duty to such an extent that the factories cannot live. Some honorable members say they regret that the reduction of the duties would mean displacing 500 or 600 men. Too much labour is being displaced already. Not much consideration is given to the man who has to produce in the secondary industries. We hear a good deal of talk about the producer on the land; but the fact is overlooked that everybody has to do his share of production, and to carry his share of the load, for the welfare of the community. We cannot take isolated cases and do things just to suit some particular portion of the country. We must look at matters from the broader point of view of what is best in the interests of the Commonwealth generally. What is best should be the policy of this Parliament. It is unfortunate that we have to contend with dingoes. Some honorable members would be better employed if they took a gun and endeavoured to shoot them, instead of trying to injure industries already established here. If we adopted the views of the Country party, as put forward during the debates on this Tariff, we might as well have Free Trade at once, and allow the free entry of articles produced by people who work under much worse conditions than our people do, both as regards wages and the standard of living. We might as well say to



those people: "You can make all we require, so long as the man on the land is all right, and can get everything he wants as cheaply as possible." According to that argument, we need not bother about trying to increase our population from 5,000,000 to 10,000,000 in a given time, because it does not matter if we have only 500,000 people here, so long as the man on the land is suited. I suppose that three-parts of my people are on the land, and if I considered my own personal interests, I should take the same view as has been taken by members of the Country party; but I must consider the question as it affects Australia generally. That is the point of view that actuates me. The Minister has been very firm in refusing to give increases when we have asked for them, and I hope he will be just as firm in refusing the requests of the Country party for reductions. The members of that party have somewhat of a "pull," because the Government are under the impression that they must look to them for support. The members of the Country party, I am sorry to say, have been given concessions because of that fact; but we on this side of the House, no matter how good our case may be, or how well we argue it, cannot obtain the slightest concession, because the members of the Country party tell the Government that they must not concede us anything. If the Minister agrees to reduce this duty, we shall have to battle away as long as we can; but if he stands firm to his Tariff, he will be right.

**Mr. GREENE** (Richmond—Minister for Trade and Customs) [9.9].—I was rather struck with the argument of the honorable member for Robertson (Mr. Fleming). I remember that, a little while ago, when the dingoes were very bad amongst the sheep, the trouble was that Australia had no wire, and the men on the land could not fence them out. The honorable member now suggests a reduction of this duty. If we did reduce it, what would be the probable result? There is already a duty on wire, which is the basis of barbed wire, higher than the rates which the honorable member suggests for this item. A reduction, therefore, would mean that no barbed wire would be made here, and all that the members of the Country party would succeed in doing would be to impose a re-

venue duty on the farmer. Is that what they want? Nobody would import wire to make barbed wire here.

**Mr. FLEMING**.—At the worst we would relieve the man who uses barbed wire.

**Mr. GREENE**.—We would not. We would practically impose a revenue duty on him. For the last seven or eight days we have been discussing the iron and steel industry, and have decided to protect it. It has been admitted on all sides that it is absolutely essential to Australia. If we now decide that the industries which use the products of the blast furnace are not to be protected, where shall we find ourselves? If honorable members mean that those subsidiary industries which depend on the blast furnace for their raw material are not to be supported, the blast furnace will go cold, and we shall have no iron and steel industry at all. I have heard the honorable member for Dampier (Mr. Gregory) say over and over again that the reports of the Inter-State Commission should be accepted by this Committee. The Inter-State Commission has reported on barbed wire, and recommended a duty actually higher by 2s. per ton than the duty in this schedule.

**Mr. BELL** (Darwin) [9.12].—I am sorry the Minister (Mr. Greene) spoke before I did, because, now that he has said "No," I am afraid he will not change his mind, even if one of the supporters of the Government asks him to do so. The honorable member for Hunter (Mr. Charlton) suggests that the Minister has more than once given way to the Country party, because the Government depend on them for their votes. If a few of the direct supporters of the Government, as well as the members of the Country party, ask the Minister to do something, I should expect him to give way. I propose, in spite of what has been said, to support the amendment of the honorable member for Dampier (Mr. Gregory). I cannot believe that the industry—if we may call it an industry—for the manufacture of barbed wire would not continue if the duty were reduced to the extent that the honorable member proposes. We have heard a good deal of pleading during the debate on this division for the workmen engaged in these industries. I do not think one member has

expressed himself other than in sympathetic terms towards them and the working people generally throughout the Commonwealth; but the honorable member for Hunter has spoken rather disparagingly of the worker, who is striving to maintain himself on the land.

Mr. CHARLTON.—I never said a word against the worker on the land.

Mr. BELL.—Perhaps the honorable member did not mean the worker when he spoke of the man engaged in agriculture.

Mr. CHARLTON.—I did not say a word against him.

Mr. BELL.—If that man is not a worker, I should like to be presented to one. I have some knowledge of the hardships that have been endured by some of the people on the land. They are not wealthy, and have no prospects of becoming wealthy, whether they are agriculturists or graziers, because of the high cost during the last few years of material, particularly fencing, which is absolutely essential to their industry. I agree with the honorable member for Robertson (Mr. Fleming) that we must consider this item in connexion with the next item, namely, wire netting. I know of numerous cases in Victoria of people who have been on the land for a great number of years struggling to clear it and make a living on it, but who have been obliged finally to leave it to the rabbits. That is no exaggeration. No doubt other honorable members know of many similar instances of people who have spent the best part of their lives in this struggle with nature only in the end to be obliged to abandon their land mainly because of the high cost of material necessary for fencing against the rabbits. It is utterly impossible for the owner of first class agricultural land to maintain his position if alongside of him there is an area of second class land overgrown with rubbish in which rabbits may shelter, unless he is able to obtain fencing material at a reasonable price. The only fence that is of any value at all against this vermin is good wire netting and barbed wire. In my own State barbed wire was used extensively prior to the war, but in recent years it has been practically impossible for the struggling

selector to buy it because of the exorbitant price; and now when we have a chance of getting back to pre-war conditions, and when there appears to be some hope of the land-holder being able to get fencing material at a reasonable price to subdivide his holding, we are faced with this excessive duty to protect an industry which has flourished, and has every prospect of maintaining its present position with the protection we are willing to give it. After what the Minister has said, I do not anticipate that he will give way, but I cannot allow the item to pass without entering my protest against this high duty to give protection to one class of worker and one industry to the detriment of another. Why should not these secondary industries bear some share of the reduction in prices that is inevitable, and why should not the people for whom I am pleading have a chance of living without being obliged to work twelve hours a day? Unfortunately we cannot protect the agriculturist and grazier, and in this House there are not enough honorable members familiar with the conditions of the people of whom I am speaking, otherwise I feel sure that they would receive more consideration.

Mr. BRENNAN.—Put some vim into the fight. I will stand by you.

Mr. BELL.—I am glad that at least one honorable member opposite is prepared to help the agriculturists, although he may not be very familiar with the conditions under which they are labouring. I am sure, from what he has said, that his heart is in the right place, and I hope he will support their claim for consideration.

Mr. WIENHOLT (Moreton) [9.22].—I do not know if it is quite fair in the temporary absence of the Minister for Trade and Customs (Mr. Greene) to raise the issue, but I point out that both the honorable member for Dampier (Mr. Gregory) and the honorable member for Robertson (Mr. Fleming) have spoken of this Tariff item as imposing increased duties, and as far as I could follow the Minister he also assumed that the duties had been increased. But if we examine the position closely we find that there is no increase in duty at all.



The old rate was 10 per cent. British preferential and 20 per cent. general Tariff, and the present proposal is British 68s. per ton, and general 105s. per ton.

Mr. BELL.—Surely that is a big increase.

Mr. WIENHOLT.—Let us work it out and see if it is. The present price for barbed wire, 12 gauge, is £40 per ton. I do not think this can be regarded as abnormal, because the price has been up to nearly £80 per ton. At £40 per ton the old duty of 10 per cent. *ad valorem* would amount to £4, while the present duty of 68s. per ton works out at £3 8s.

Mr. BELL.—But the 10 per cent. duty in the old Tariff was on barbed wire at £14 per ton.

Mr. WIENHOLT.—Quite so; but I am taking the figures on present-day prices, and I want to see how this scientific protection operates. Under the old schedule a 20 per cent. general Tariff on barbed wire at £40 per ton came to £8, and under the present Tariff the duty amounts to £5 5s. I intend to support the amendment moved by the honorable member for Dampier (Mr. Gregory), because I think all these duties are too high. If the honorable member for Hunter (Mr. Charlton) says that we who advocate these lighter duties might as well become Free Traders outright, I feel inclined to retort that members of his party might as well become Prohibitionists. It seems to me, in assuming that these duties represent an increase on the old Tariff, the arguments of honorable members have gone astray somewhat. Let us see what the position would be with barbed wire at £30 a ton, and I do not think it will go much lower than that. At that price the British duty under this Tariff would be £3 8s., as against £3 under the old rate, representing an increase of 8s.; but the duty on American wire at the old rate would have been £6, and under the present Tariff it will be £5 5s. It would appear, therefore, that with barbed wire back to £30 a ton we shall increase the duty on British wire by 8s., and reduce the duty on American wire by 15s. Where does the scientific protection come

in? Evidently there is something radically wrong, and I am sorry that at the moment the Minister is not in the chamber to explain the position.

Mr. FENTON (Maribyrnong) [9.24].—I listened with very sympathetic interest to the story related by the honorable member for Darwin (Mr. Bell) in regard to the unfortunate position of the men who, after being thirty years on the land, were, as he put it, driven off on account of the rabbits. But I remind him that prior to 1914 wire netting was on the free list, and if those men who had been on the land for thirty or forty years were starved off by the rabbits, I am wondering why they did not make use of their opportunities to import wire netting prior to the imposition of the duty.

Mr. GIBSON.—So they did, as far as they could.

Mr. FENTON.—That excuse will not do. I am interested in land in a small way, and I have been in the market recently for barbed wire and wire netting, and I want some more. I could do with a few miles of wire netting if I could get it, but I do not intend to oppose these duties, as I realize that we are going to manufacture the material in this country. Twelve months ago I bought barbed wire at from 52s. to 62s. per cwt.

Mr. BELL.—You got it cheaply.

Mr. FENTON.—Did I? Well, I paid the market price for it, and although this Tariff had been in operation for fifteen months, instead of the price for barbed wire going up, I find I can get it at 14s. per cwt. cheaper than twelve months ago. Honorable members opposite have been talking about imported wire. I have here the fortnightly price-list of the Victorian Producers' Co-operative Company Limited, with whom I deal, and I find that imported galvanized wire, 12-gauge, is quoted at 40s. per cwt.

Mr. GIBSON.—That gauge is not used for fencing.

Mr. FENTON.—In some cases it is. I am talking about good imported wire of the same gauge side by side with our galvanized and barbed wire, and I find it is 2s. per cwt. dearer.

Mr. BELL.—I am sorry to contradict you, but I am sure that you are wrong.

Mr. FENTON. — Well, here is the printed price-list. The honorable member may, if he likes, go down to the company's place in Collins-street to-morrow morning and buy this wire by the cwt. or by the ton at the catalogued price. I know that we are manufacturing barbed wire in Australia, and the price, instead of rising because of the Tariff, is 14s. per cwt. less than it was prior to the imposition of this duty.

Mr. WIENHOLT.—Does the honorable member say that the Tariff has reduced the price of barbed wire?

Mr. FENTON.—The imposition of a duty and the creation of a thriving local industry have often reduced the price of an article.

Mr. GIBSON.—The most unfair thing done in this Tariff was the imposition of an additional duty on 14-gauge wire.

Mr. FENTON.—I was very glad to hear the Minister absolutely demolish the arguments advanced by members of the Country party. I believe in helping the producer, and I voted with the honorable member for Indi (Mr. Robert Cook) in placing a duty of £6 per ton on onions. I supported the honorable member for Lilley (Mr. Mackay) in increasing the duty on bananas. I voted with honorable members in the corner when they asked for a higher duty on millet. The honorable member for Corangamite (Mr. Gibson) advocated absolute prohibition of the importation of oats.

Mr. GIBSON.—Not oats, but hay, and for the same reason I would prohibit the importation of small-pox. Imported hay brings with it weeds, the eradication of which may cost thousands of pounds.

Mr. FENTON. — Members of the Country party are willing to go as near as possible to prohibition of the importation of things which the farmer produces, but they are unwilling to give a small modicum of protection to other industries. I do not believe in calling manufacturing secondary industries. The men who manufacture barbed wire or agricultural implements are as much entitled to the term "producers," and are as valuable to the country, as are the men who till the land and reap so many bushels of wheat per acre. Let the one producer show some sympathy with the other. The rural producer has had,

and still has, the sympathy of the Labour party. We will stand by him and protect him against foreign competitors; but do let us have a little reciprocity. Honorable members in the corner forget the foreign Combines who fleeced them under Free Trade. Sometimes honorable members from this side are in the position of protecting the farmers against their own representatives. Unless the factories are filled with vigorous workmen, supporting large families, there will be no local market for the farmers' produce. The honorable member for Angas (Mr. Gabb) inquired, by interjection, how many pounds of butter, loaves of bread, hundredweights of meat, and bags of potatoes and onions will be consumed by the 600 men engaged in the manufacture of nails and wire and their families. The workers in that and similar industries provide a home market for the produce of the land. I am confident that the Committee will support this duty, which is fair to the man on the land as well as the man off the land.

Mr. FOLEY (Kalgoorlie) [9.35].—Honorable members who have opposed the amendment have contended for continuity of employment for a certain number of men engaged in the manufacture of barbed wire. On the other hand, those who have advocated a reduction of the duties have spoken in the interest of those workers who are employed upon the land in various avocations. I say in all seriousness to the honorable member for Hunter (Mr. Charlton) and the honorable member for Maribyrnong (Mr. Fenton) that I would sooner that the pastoralists and farmers were able to get the material for the protection of their holdings against dingoes, even if it meant the non-employment during the next two years of the men engaged in the wire-making industry. It is all very well for honorable members who have lived in the city all their lives to say, even jokingly, that the dingo pest means nothing to Australia. It is one of the Commonwealth's greatest curses. In certain parts of the north-west and central portions of Western Australia men have been driven off their homes because the dingoes have made it impossible to produce stock profitably. In making that statement I am not drawing the long-bow. I can name



men who had to leave their holdings because they could not cope with the ravenous dingoes that were destroying their stock. This menace is felt, not only by the sheep-owners, but also by the cattle-raisers. There is a great area of country in the more remote portions of the Commonwealth that could be carrying sheep but for the dingo menace. These pests can be held in check only if the settlers are able to procure fencing material cheaply. The necessity for getting rid of these wild dogs is so great that any benefit that might accrue to the Commonwealth from the employment of men in the manufacture of wire and wire netting will be nullified by the harm done to the pastoral industry if the cost of this material is increased. On the fringe of the Nullarbor Plains, dingoes are present in such numbers that it is almost impossible for men to take up land south of the transcontinental railway. The same condition of affairs exists from 100 miles north of the line to the Canning stock route, south of the Kimberleys, where there is excellent grazing land. During the good seasons in the last twelve years the dingoes have multiplied so much that settlement is impracticable until means of fighting the pest are provided. There is no more effective means than cheap fencing.

Mr. CHARLTON.—What do the dingoes live on in that desert?

Mr. FOLEY.—The country of which I am speaking is not desert, but good pastoral land, which can be utilized under favorable conditions. One of those conditions is an adequate supply of wire netting and barbed wire at reasonable prices. It would be of greater benefit to Australia if, during the next five years, this material were admitted free of duty, so that the dingo pest might be brought into subjection, than if a high duty were imposed to continue in employment a few hundred men in the wire-making industry.

Mr. WEST (East Sydney) [9.43].—I have never heard so much misery related to any body of men as I have heard this evening. Listening to some honorable members, one would think that men on the land are starved to death. Studying the probate returns, I find that invariably the men connected with the land

leave ample fortunes to their children, whilst city men leave very little. Speakers at Nationalist meetings and the press are always advising that the immigrants shall be placed on the land. If the new arrivals were to read *Hansard*, and believe the statements made by some honorable members in the Corner in regard to the misery of the people on the land, very few of them would leave the cities. The honorable member for Dampier (Mr. Gregory) has proposed to reduce the British preferential duty on barbed wire from 68s. to 40s. Apparently the honorable member is willing to inflict on the farmers the burden of that 40s. Australian-made wire netting is worth from £5 to £6 per mile more to the farmer than the foreign-made product, for the reason that the latter has been subjected to tight rolling. This injures the galvanized covering and opens the way to rust. There is a considerable difference in the life of the Australian-made netting and of the foreign manufacture: It seems to me that overseas makers have a wrong idea of the Australian market. They still seem to think that this is a black man's country, and that any old rubbish will do. I hate to listen to the dreadful tales spun by country members in this House. The worst part of a country member's responsibilities is having to open letters from his constituents in which they plead with him to get jobs for their sons on the city tramways or in the Police Force. They think that, although their own work is a joke, the city man's life is easier still. They think that the man in town does no work in the morning, that he attends a picture show in the afternoon, and reads a book over the fire and goes to bed early at night. I assure honorable members in the Corner, if they have not seen it for themselves, that men in the city and suburbs work a good deal harder than the farmers, and very many of them in confined spaces and amidst unhealthy surroundings. Life in the country is not work; much of it is pure pleasure in the beautiful open air. The farmer does a bit of ploughing and tosses a bit of seed about. Then he sits on his verandah and watches the rain and lets Providence do the rest, while his sons go out with guns after rabbits. Farming is an easy thing for any man to put his money into. It

is a different story with the patriotic city man who sinks his money in a factory. Let him start a wire-netting enterprise. The amount of money he makes out of it after meeting all calls from every source, is an absolute moiety. There is more pay-out than get-back, and a lot more risk than gain. I appeal to country members to stop drawing these harrowing pictures of out-back misery. This country cannot prosper if everybody wants to make easy money on the land. We should encourage the people who are willing to risk their wealth in industries.

Mr. AUSTIN CHAPMAN.—Work in factories is much easier than the work of the man on the land.

Mr. WEST.—What nonsense! Those connected with the manufacture of wire netting have informed me that the present duties are inadequate to protect them from the competition of English and American makers. America is dumping her goods in the world's markets as she has never done before. For a hundred years her statesmen devoted themselves to making their country self-contained, and its progress should be an object lesson to us. It is foolish to think that our people benefit by buying cheaply on the other side of the world. Our farmers get better value when they buy Australian-made wire netting and wire than when they buy imported material. As the shipping companies charge for transport by measurement and not by weight, the wire that is sent here is packed so tightly that it cannot be as good as the Australian-made wire. The honorable member for Maribyrnong (Mr. Fenton) has pointed out that it is only when the Tariff is being discussed that we hear of the misery suffered by those on the land. This outpouring of sympathy for the farmers and graziers can be overdone, like an electioneering cry. I do not believe that our country population is so badly off. We should not be pessimistic in our utterances. We should encourage our people to make light of their burdens, as did the pioneers, who thought nothing of having to go a mile for water, and who "humped their blueys" to get to places to which their successors are now carried in trains. It cannot be said of me that I have not tried to do all I can to make Australia prosperous and its people happy.

Unfortunately, a Tariff discussion brings out all the selfishness of human nature. The honorable member who has moved this reduction supported a duty of £6 a ton on onions, and he and others of his party would like to increase the price of wheat to 10s., and even 15s. a bushel. He should be prepared to help others as his constituents have been helped. If the spirit of mutual helpfulness prevailed, the Tariff would soon be passed, and our work would bring prosperity to the country.

Mr. LAZZARINI (Werriwa) [10.10].

—I hope that the Committee will not agree to the proposed reduction of this duty. The burden of the argument of the honorable member for Kalgoorlie (Mr. Foley) was that during the last twelve years dingoes have so increased in number that if people on the land cannot obtain barbed wire disaster awaits them very soon. If that be so, I might ask what people on the land were doing when barbed wire was imported before the war, and when they had to contend with the dingoes? Probably the reason why dingoes have increased in numbers to such an extent as to become a pest is that during the five years of the war the primary producers were at the tender mercy of the callous importer who obtained stocks of barbed wire at a reasonable price before the war, and then taking advantage of the dislocation of trade and shipping put up the price to such an extent as to place the article beyond the reach of the smaller men on the land. Do honorable members oppose the desire that the man on the land should be for ever at the mercy of importing rings in this country and combines abroad? If so, they are the enemies and not the friends of the primary producer. The interests of the man on the land can be best served by the production in this country under reasonable protection of the articles he requires. If local manufacturers demand unduly high prices for the articles they produce the Government can protect the Australian consumer from them. If the arguments used by the honorable member for Kalgoorlie and the honorable member for Dampier (Mr. Gregory) are sound they should be asking, not for the reduction of this duty



by a few shillings per ton, but for the free importation of this article. To be consistent they should demand that it should be admitted free. One honorable member of the Country party, I think the honorable member for Robertson (Mr. Fleming), said that this duty should be reduced even if it meant the destruction of the local industry. If that course were followed, all the barbed wire in Australia would be imported, and the duty would then be a purely revenue duty, which the farmer would be called upon to pay. There are some articles which I do not think should be liable to duty, but this is an article which can be manufactured in Australia, and its manufacture here should be protected. I support the duties as introduced by the Minister for Trade and Customs (Mr. Greene), and I hope the amendment will be defeated. I rose to justify the vote I intend to give, and as one who claims to have as many primary producers in his electorate as can be claimed by any other honorable member of the Committee, I am prepared to stand by the vote I intend to give.

**Mr. GIBSON** (Corangamite) [10.16].—We are confronted by an anomalous position in this Tariff. I can scarcely understand what can be the desire of the Minister for Trade and Customs (Mr. Greene). After we impose duties this afternoon of 25 per cent., 30 per cent., and 35 per cent. on 14-gauge wire, the Minister, by his proposal, makes impossible the manufacture of barbed wire from 14-gauge wire for which there is quite as big a sale in Australia as there is for 12-gauge wire. The man who manufactures barbed wire from 12-gauge wire is called upon to pay duties of 68s., 85s., and 105s. per ton, whilst a man who manufactures barbed wire from 14-gauge wire is actually called upon to pay £10, £13, and £14 per ton duty on his wire. That position is untenable. I know that the argument is used that those who manufacture barbed wire draw the wire, but that is not so, and the anomaly that has been created plays into the hands of the big manufacturer, whilst the man in the country manufacturing barbed wire with a small plant will find it impossible to carry on when he has to pay up to £14 per ton duty for his wire. I ask

the Minister to recommit the item covering 14-gauge wire. It was passed through rather hurriedly, and honorable members had not a chance to consider it.

**Mr. GREENE.**—If, on inquiry, we find that we have included wires required for these other purposes, I shall recommit the item referred to. It was not our intention to include those wires. I admit that the honorable member's contention is quite correct, if we did include them in the item referred to.

**Mr. GIBSON.**—I should like to see some consideration given to the small manufacturer. Under the duties now proposed, he will be wiped out completely.

**Mr. GREENE.**—I repeat that if we included the wires of which the honorable member is speaking in the amendment I moved, I shall take action to remove them. We did not intend that they should be included.

**Mr. GIBSON.**—The position is that 12, 13, and 14 gauge wires are chiefly used for the manufacture of barbed wire, and the 14-gauge wire is used to just as great an extent as the 12-gauge wire. The man who is not drawing his own wire, but has a small plant for the manufacture of barbed wire, will be wiped out of existence if the present proposal is agreed to.

**Mr. GREENE.**—I assure the honorable member that if we have done that it was not our intention to do it, and I will agree to recommit the item.

Amendment negatived.

Item agreed to.

Item 158—

Wire netting, per ton, British, 68s.; intermediate, 85s.; general, 105s.

**Mr. GREGORY** (Dampier) [10.21].—I did not press for a division upon the last amendment, because I realized that a majority of the Committee were opposed to it, and because the item did not amount to a very great deal. But I now ask that wire netting from the United Kingdom shall be admitted free, and that the duty under the intermediate and general Tariff shall be 10 per cent. The Government should make good with a bounty.

**Mr. GREENE.**—The honorable member has the Inter-State Commission against him.



Mr. GREGORY.—The Minister has taken so little notice of the recommendations of that body that it is strange he should now make a suggestion of that kind. I move—

That the following words be added to the item:—"And on and after 10th June, 1921, per ton, British, free; intermediate, 10 per cent.; general, 10 per cent."

I ask the Minister to consent to report progress.

Mr. GREENE.—If the honorable member will give me an undertaking that he will help me to get up to item 165 to-morrow I will do so.

Mr. GREGORY. — I do not think there will be any difficulty in reaching that item to-morrow.

Progress reported.

House adjourned at 10.25 p.m.



# Members of the House of Representatives.

*Speaker*—The Honorable Sir Elliot Johnson, K.C.M.G.

*Chairman of Committees*—The Honorable John Moore Chanter.

Anstey, Frank .. Bourke (V.)	Hughes, Right Hon. William Bendigo (V.)
<sup>3</sup> Atkinson, Llewelyn .. Wilmot (T.)	Morris, P.C., K.C.
<sup>7</sup> Bamford, Hon. Frederick Herbert (Q.)	Jackson, David Sydney .. Bass (T.)
William	Johnson, Hon. Sir Elliot, Lang, (N.S.W.)
Bayley, James Garfield .. Oxley (Q.)	K.C.M.G.
Bell, George John, C.M.G., Darwin (T.)	Jowett, Edmund .. Grampians (V.)
D.S.O.	<sup>5</sup> Kerby, Edwin Thomas Ballarat (V.)
Best, Hon. Sir Robert Kooyong (V.)	John
Wallace, K.C.M.G.	Lamond, Hector .. Illawarra (N.S.W.)
Blakeley, Arthur .. Darling (N.S.W.)	Lavelle, Thomas James .. Calare (N.S.W.)
Blundell, Hon. Reginald Adelaide (S.A.)	Lazzarini, Hubert Peter .. Werriwa (N.S.W.)
Pole	Lister, John Henry .. Corio (V.)
Bowden, Eric Kendall .. Nepean (N.S.W.)	Livingston, John .. Barker (S.A.)
Brennan, Frank .. Batman (V.)	Mackay, George Hugh .. Lilley (Q.)
Bruce, Stanley Melbourne Flinders (V.)	<sup>8</sup> Mahon, Hon. Hugh .. Kalgoorlie (W.A.)
M.C.	Mahony, William George Dalley (N.S.W.)
Burchell, Reginald John Fremantle (W.A.)	Makin, Norman John Hindmarsh (S.A.)
M.C.	Oswald
Cameron, Donald Charles Brisbane (Q.)	Maloney, William .. Melbourne (V.)
C.M.G., D.S.O.	Marks, Walter Moffitt .. Wentworth (N.S.W.)
Catts, James Howard .. Cook (N.S.W.)	Marr, Charles William Parkes (N.S.W.)
Chanter, Hon. John Riverina (N.S.W.)	Clanan, D.S.O., M.C.
Moore	Mathews, James .. Melbourne Ports (V.)
Chapman, Hon. Austin .. Eden-Monaro	Maxwell, George Arnot .. Fawknor (V.)
(N.S.W.)	<sup>1</sup> McDonald, Hon. Charles .. Kennedy (Q.)
<sup>3</sup> Charlton, Matthew .. Hunter (N.S.W.)	<sup>6</sup> McGrath, David Charles .. Ballarat (V.)
<sup>4</sup> Considine, Michael Patrick Barrier (N.S.W.)	McWilliams, William James Franklin (T.)
Cook, Right Hon. Sir Parramatta (N.S.W.)	Moloney, Parker John .. Hume (N.S.W.)
Joseph, P.C., G.C.M.G.	Nicholls, Samuel Robert .. Macquarie (N.S.W.)
Cook, Robert .. Indi (V.)	Page, Earle Christmas Cowper (N.S.W.)
Corser, Edward Bernard Wide Bay (Q.)	Grafton
Cresset	<sup>10</sup> Page, Hon. James .. Maranoa (Q.)
Cunningham, Lucien Gwydir (N.S.W.)	Poynton, Hon. Alexander, Grey (S.A.)
Lawrence	O.B.E.
Fenton, James Edward .. Maribyrnong (V.)	Prowse, John Henry .. Swan (W.A.)
<sup>3</sup> Fleming, William Mont-Robertson (N.S.W.)	Riley, Edward .. South Sydney
gomerie	(N.S.W.)
<sup>9</sup> Foley, George James .. Kalgoorlie (W.A.)	Rodgers, Hon. Arthur Stan-Wannon (V.)
Foster, Hon. Richard Wakefield (S.A.)	islaus
Witty	Ryan, Hon. Thomas West Sydney
<sup>2</sup> Fowler, Hon. James Perth (W.A.)	Joseph, K.C. (N.S.W.)
Mackinnon	Ryrie, Sir Granville de North Sydney
Francois, Frederick Henry Henty (V.)	Laune, K.C.M.G., C.B. (N.S.W.)
Gabb, Joel Moses .. Angas (S.A.)	Smith, Hon. William Denison (T.)
Gibson, William Gerrard Corangamite (V.)	Henry Laird
Greene, Hon. Walter Richmond (N.S.W.)	Stewart, Percy Gerald .. Wimmera (V.)
Massy	Story, William Harrison .. Boothby (S.A.)
Gregory, Hon. Henry .. Dampier (W.A.)	Tudor, Hon. Frank Gwynne Yarra (V.)
Groom, Hon. Littleton Darling Downs (Q.)	<sup>3</sup> Watkins, Hon. David .. Newcastle (N.S.W.)
Ernest	Watt, Right Hon. William Balaclava (V.)
Hay, Alexander .. New England	Alexander, P.C.
(N.S.W.)	West, John Edward .. East Sydney
Higgs, Hon. William Guy Capricornia (Q.)	(N.S.W.)
Hill, William Caldwell .. Echuca (V.)	Wienholt, Arnold .. Moreton (Q.)
	Wise, Hon. George Henry .. Gippsland (V.)

1. Sworn 27th February, 1920.—2. Sworn 3rd March, 1920.—3. Appointed Temporary Chairman of Committees, 4th March, 1920.—4. Made affirmation, 5th March, 1920.—5. Election declared void, 2nd June, 1920.—  
† Sworn 11th May, 1920.—6. Elected 10th July, 1920. Sworn 21st July, 1920.—7. Appointed Temporary  
Chairman of Committees, 13th May, 1920.—8. Expelled and seat declared vacant, 12th November, 1920.—  
9. Elected 18th December, 1920. Sworn 6th April, 1921.—10. Deceased reported, 3rd June, 1921.

## HEADS OF DEPARTMENTS.

*Senate*—G. H. Monahan.

*House of Representatives*—W. A. Gale, C.M.G.

*Parliamentary Reporting Staff*.—B. H. Friend, I.S.O.

*Library*.—A. Wadsworth.

*Joint House Committee*.—F. U'Ren.





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Principal Parliamentary Reporter.

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\* Appointed 14th April, 1921.

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\* Resigned 12th May, 1921.

Appointed 19th May, 1921.